

**UNITED STATES COPYRIGHT OFFICE
The Library of Congress**

In re

Periodic Review of the Designations of
the Mechanical Licensing Collective
and Digital Licensee Coordinator

Docket No. 2024-1

REPLY SUBMISSION OF THE MECHANICAL
LICENSING COLLECTIVE (The MLC)

July 29, 2024

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2	Music Industry Trade Group Endorsements of The MLC
3	Statement of the Unclaimed Royalties Oversight Committee (UROC)

INTRODUCTION

The MLC appreciates the time and thought invested by the numerous stakeholders who submitted comments in this proceeding, as well as by the over 1,500 stakeholders who took the time to submit endorsements indicating their support of The MLC.

The Initial Submission of The MLC in this proceeding (“The MLC’s Initial Submission”) detailed The MLC’s history, governance, metrics and results across numerous aspects of its operations and included copies of various organizational documents, policies and endorsements. The submission clearly demonstrated that The MLC continues to satisfy the MMA criteria to be the statutory collective, while also addressing the identified areas of interest to the Office.¹ That initial showing, however, did not diminish the value of the Public Comment periods in this proceeding. Hearing the voices of The MLC’s stakeholders is central to understanding The MLC’s successes in implementing the ambition of the MMA, as well as the continued challenges that The MLC faces in discharging its substantial statutory mandate.

In this reply submission, The MLC focuses on three topics: (1) highlighting feedback in the Public Comments that further evidences The MLC’s fulfillment of the statutory criteria; (2) providing some additional, notable updates on The MLC’s operations that occurred after The MLC filed its Initial Submission; and (3) responding to certain questions or concerns raised by stakeholders in the Public Comments, in order to provide relevant additional information, clarification, or correction, as appropriate. While The MLC of course cannot address every statement in every comment, it is available to address anything additional the Office finds relevant through supplements or meetings on request.

¹ This submission adopts the same defined terms as in The MLC’s Initial Submission.

THE DESIGNATION CRITERIA REMAIN FULFILLED

As set forth in the NOI and discussed more fully in The MLC’s Initial Submission, the MMA sets forth specific criteria for being designated as the statutory collective.² The MLC’s Initial Submission, the initial public comments submitted in this proceeding (“Initial Public Comments”), and the reply public comments submitted in this proceeding (“Reply Public Comments”) (the Initial Public Comments and Reply Public Comments together, the “Public Comments”³) establish that The MLC continues to fulfill all of the statutory criteria to be designated as the mechanical licensing collective under the MMA and that its designation should continue.

Criterion 1 Remains Fulfilled

The MLC’s Initial Submission and exhibits demonstrated that The MLC fulfilled the first criterion: to be “a single entity that is a nonprofit entity, not owned by any other entity, that is created by copyright owners to carry out responsibilities under this subsection.”⁴ None of the Public Comments raised any concerns or objections concerning the fulfillment of this criterion.

Criterion 2 Remains Fulfilled

The MLC’s Initial Submission and exhibits demonstrated that The MLC fulfilled the second criterion, that it be “endorsed by, and enjoy[] substantial support from, musical work copyright owners that together represent the greatest percentage of the licensor market for uses of

² Section 115(d)(3)(A); NOI at 5940; The MLC’s Initial Submission at 5-8.

³ See Comments filed in *Periodic Review: Designations of the Mechanical Licensing Collective and Digital Licensee Coordinator*, Regulations.gov Docket No. COLC-2024-0002 (available at <https://www.regulations.gov/document/COLC-2024-0002-0001/comment>).

⁴ The MLC’s Initial Submission at 5; Section 115(d)(3)(A)(i).

such works in covered activities, as measured over the preceding 3 full calendar years.”⁵ None of the Public Comments raised any question that this criterion remains fulfilled.

The MLC submitted a list of over 1,100 members who took the time to submit endorsements indicating their support for The MLC, and certified that these Endorsing Members “represent a clear majority of the market over the past three years, as measured by their licensing revenue from covered activities during this period.”⁶ Furthermore, while no additional endorsements are needed to satisfy the statutory criteria, more than 350 additional members submitted endorsements of The MLC after it filed its Initial Submission. Attached as Exhibit 1 is a supplemental list of these additional Endorsing Members, bringing the total to more than 1,500.

The Public Comments further demonstrated a broad industry consensus offering endorsement and support of The MLC. These comments showed that The MLC is endorsed by prominent songwriter trade groups, including Artist Rights Alliance (“ARA”),⁷ Nashville Songwriters Association International (“NSAI”),⁸ the Recording Academy⁹ (“Recording Academy”) and Songwriters of North America (“SONA”).¹⁰ Public Comments further showed that The MLC was endorsed by the music publishing trade group representing the significant

⁵ The MLC’s Initial Submission at 6-8; Section 115(d)(3)(A)(ii).

⁶ The MLC’s Initial Submission at 7. Moreover, The MLC’s Initial Submission indicated that, while the Office’s confidentiality regulations preclude The MLC from publicly filing the precise market share calculation from its member endorsements, The MLC can provide a precise calculation of the aggregate market share to the Office under seal on request. *Id.* at fn. 12.

⁷ ARA Reply Comments at 2 (“ARA appreciates that the MLC has worked very hard since its inception to fulfill the goals and requirements set forth under the MMA... ARA therefore believes that the MLC should be redesignated for the next 5-year period...”).

⁸ NSAI Initial Comments at 1 (expressing that it “fully supports redesignation of The MLC and [NSAI] believe[s] that there is no other organization that could fulfill the mission of administering the blanket statutory mechanical license in the way the Music Modernization Act (MMA) envisioned.”).

⁹ Recording Academy Reply Comments at 1, 6 (“The Recording Academy strongly supports the redesignation of the MLC without reservation... [The MLC] has been successful by any meaningful measure.”).

¹⁰ SONA Initial Comments at 3, 7 (The MLC “should be redesignated” and noting that its “education and outreach efforts have been vast and commendable.”).

majority of the licensor market, National Music Publishers' Association ("NMPA"),¹¹ as well as by the prominent trade groups Church Music Publishers Association ("CMPA")¹² and Administrators of Gospel Music ("AGM").¹³ Numerous individual licensor members also submitted comments endorsing and explaining the success of The MLC, as discussed more fully below in connection with Criterion 3.

The MLC has also been endorsed by numerous other prominent industry trade groups. Attached as Exhibit 2 is a list of additional endorsing industry trade groups, along with the language of their endorsement. The list includes entities who expressed endorsement directly in the Public Comments, and also includes the Academy of Country Music (ACM), Americana Music Association, Association of Independent Music Publishers (AIMP), Black Music Action Coalition (BMAC), Copyright Alliance, Folk Alliance International, Gospel Music Association (GMA), Independent Music Publishers International Forum (IMPF), International Confederation of Music Publishers (ICMP), Leadership Music, Music Artists Coalition (MAC), Music Business Association (Music Biz), Music Publishers Association (MPA), Production Music Association (PMA), Recording Industry Association of America (RIAA), and The 100 Percenters.

Finally, it is worth noting that each of the groups listed above has also supported The MLC's education and outreach efforts in numerous, meaningful ways throughout the initial period of The MLC's operations. The MLC is grateful for this support and looks forward to continuing

¹¹ NMPA Initial Comments at 1, 3 ("NMPA fully supports the redesignation of [The MLC] as the entity designated to administer the Section 115 statutory license under the Music Modernization Act... Since its initial designation in 2018, the MLC has worked tirelessly to develop its capabilities and build the administrative entity conceived in the MMA. By any measure, it has been hugely successful in meeting its expansive statutory responsibilities in a timely and efficient manner.").

¹² CMPA Initial Comments at 3 ("[W]e want to express our appreciation for what the MLC has achieved through its methodology and effective management, and the impact that has created for the ongoing success of our genre of music. We urge the [Office] to reauthorize The MLC as its designated agent to administer the Blanket License.").

¹³ AGM Initial Comments at 1 (endorsing and expressing "unwavering support of The MLC as direct recipients and beneficiaries of its excellence in service representing our rights... The MLC has set forth for us a verifiable and exemplary track record of transparency, efficiency, professionalism, and dependability.").

to partner with these organizations, and others, in the years ahead, to help it reach every rightsholder who is entitled to receive a share of the digital audio mechanical royalties administered by The MLC.

Criterion 3 Remains Fulfilled

The MLC’s Initial Submission demonstrated in great detail that The MLC possesses “the administrative and technological capabilities to perform the required functions of the mechanical licensing collective under this subsection” and also provided details regarding its governance “by a board of directors in accordance with [Section 115(d)(3)(D)(i)].” None of the Public Comments raised any question that The MLC’s board composition is compliant with Section 115(d)(3)(D)(i), and each member of The MLC’s Board has been appointed by the Librarian of Congress. As discussed in detail below, the Public Comments further supported and supplemented the extensive evidence provided in The MLC’s Initial Submission demonstrating that The MLC possesses the requisite administrative and technological capabilities.

I. The Public Comments Reinforce The MLC’s Demonstration Of Administrative and Technological Capabilities

Numerous stakeholders who filed Public Comments enthusiastically endorsed The MLC and noted with approval The MLC’s achievements in improving the administration of mechanical royalties, including those organizations representing songwriters and music publishers that filed the Public Comments cited above in connection with Criterion 2 and numerous individual music publishers, including: ABKCO, Big Machine Music (“Big Machine”), Concord Music Publishing (“Concord”), Downtown Music, Peermusic, Reservoir Media Management (“Reservoir”), Spirit Music and Warner Chappell Music (“WCM”).

Several commenters, including NSAI, AGM, CMPA, the Recording Academy and others, acknowledged the significant improvements The MLC has achieved in its match rates and the

percentage of royalties distributed to rightsholders – improvements which show that more mechanical royalties are being paid to the proper rightsholders than ever before.¹⁴ As AGM stated, this improvement “is perhaps the most valuable to our members who have separately struggled for many years in direct or indirect dealings with the DSPs.”¹⁵ The Recording Academy asserted that “properly matching royalties to the proper copyright owners and reducing unclaimed royalties should be of paramount importance to the MLC” and noted that the improved matching and distribution rates achieved by The MLC are “a key indicator of the success of the MLC.”¹⁶

In addition to citing improved outcomes in matching and distribution of royalties, several Public Comments specifically applauded The MLC’s success in developing technological tools for rightsholders and providing extensive customer service, both of which have improved the rights management and royalty administration processes in this area of the industry. Echoing the sentiments of several Public Comments, AGM noted that, “[t]he MLC demonstrated efficiency and transparency in quickly developing, implementing, and demonstrating the following digital tools that have immensely improved the ability of our members to connect copyright data for

¹⁴ AGM Initial Comments at 2 (“The MLC has rectified the long-overdue issues of songwriters and publishers not receiving proper compensation from DSPs, by increasing the match rate of copyright data from well below 80% to over 90%.” (emphasis omitted)); CMPA Initial Comments at 2 (acknowledging a significant increase in member match rates and noting that “[s]uch a huge increase is a direct result of working with the MLC as opposed to years of working directly with the DSPs. This increase in the Match Rate for Christian music has generated considerable earnings for our songwriters and publishers.”); WCM Reply Comments at 2 (“In addition to the impressive speed at which payments are distributed to rightsholders, The MLC is able to match and process usage at perhaps the highest degree of accuracy Warner Chappell has encountered in its many experiences with third party processing partners, including collective management organizations outside of the United States. The work undertaken by The MLC allows Warner Chappell’s songwriters to receive faster and more comprehensive remuneration for the use of their musical compositions.”); NSAI Initial Comments at 2 (“We always had high hopes for The MLC’s success, but it has exceeded those in the three short years it has been in full operation, distributing more than \$2 billion in royalties, achieving historically high match rates and providing an invaluable service to copyright owners, songwriters and digital service providers (DSPs).”); ABKCO Music Initial Comments at 1 (“accomplishing historically high match rates and distribution rates”); Big Machine Initial Comments at 2 (The MLC’s consistent timely distributions “has allowed U.S. mechanical streaming income to become one of the most predictable and transparent revenue sources in the music industry.”).

¹⁵ AGM Initial Comments at 2.

¹⁶ Recording Academy Reply Comments at 2-3 (noting also that “the MLC has surpassed the benchmarks for matching royalties proposed by its primary competitor to receive the initial designation to be the mechanical licensing collective.”).

collection in the traditionally underserved Christian music market: (a) Song Matching Tool, (b) Song Claiming Tool, (c) Song Bulk Import Tool, and (d) Song Conflict Resolution Process.” (emphasis omitted).¹⁷

Several Public Comments cited with approval The MLC’s success in establishing and maintaining an extensive and transparent public ownership database (as required by the MMA), along with the increased amount of information The MLC provides to members in its blanket royalty statements and The MLC’s progress in matching and distributing mechanical royalties at a higher level than ever before.¹⁸ On the subject of transparency, the Recording Academy noted that:

[T]he MLC has provided unprecedented transparency regarding the disposition of historical unmatched royalties... By simply visiting the MLC’s website, anyone can see the progress that the MLC has made with matching and distributing the historical unmatched royalties. The pool of royalties is even sorted by time period,

¹⁷See, e.g., AGM Initial Comment at 2. See also CMPA Initial Comments at 2 (“In stark contrast [to the “complex and confusing” process before The MLC], the MLC’s tools... have been easy to use and helpful for our publishers.”); Big Machine Initial Comments at 1 (“The tools created by the MLC have empowered our team to identify and claim uses of our songs... [T]he MLC’s regular Top Unmatched Sound Recordings Uses Report gives us a new level of transparency than we have historically received, and allows us to make sure our songs don’t fall through the cracks. On the rare occasion that we do have a song on this list, we can easily utilize the MLC’s tools to claim it.”); Concord Initial Comments at 1 (“the musical works database built and maintained by The MLC is comprehensive yet accessible. Concord participated in the Data Quality Initiative, and, based on feedback from its members (including Concord), The MLC has continued to enhance its tools so that publishers may more effectively improve the quality of The MLC’s data on our works.”).

¹⁸WCM Reply Comments at 2-3 (“The MLC has built a ‘best in class’ public database for licensees and rightsholders that extends beyond the general writer and publisher details available on the public-facing websites of most collective management organizations (CMOs)... In addition to the rights picture, The MLC provides members with detailed electronic statements via the portal. These statements are easier to process than many of the other CMO statements received by Warner Chappell around the world. The MLC also provides complete database information in BWARM format, which can be used to verify that the entire Warner Chappell catalog is properly set up. This level of detail is not available from any other source in the United States, and is immensely helpful for publishers that control large catalogs such as Warner Chappell.” “[The MLC’s] statements are easy to read and interpret, demonstrating The MLC’s ability to summarize complex royalty information in a clear, concise manner.”); Peermusic Initial Comments at 2 (“Peermusic is a global company with offices in 32 separate countries; we have extensive experience with every mechanical and other music collective rights management organization in the world. We can say with confidence that The MLC, the youngest member of the group, compares favorably to even the most developed CMO, and now sets the standard for many more.” “On an operational level, the transparency, reliability, and accuracy of reporting has been exceptional.” “[O]ur copyright and royalty teams were nothing short of amazed to witness what appeared by all measures to be a technologically successful launch, leading to a nearly seamless industry-wide transition from a century-old licensing system to a blanket licensing regime of enormous scale.”) Reservoir Initial Comments at 1 (The MLC’s “robust database has quickly become one of the most complete repositories of musical work metadata that is available to the public.”).

and searchable by DSP. Furthermore, all unmatched uses of individual works are fully searchable in the MLC's database. Many commenters have used the term 'black box' in reference to these funds. The implication is that the nature of the royalties is unknowable and opaque. But in practice, the efforts that the MLC has taken to put this information out in the open and the tools it has made available to resolve the issue should be celebrated as a victory for rightsholders and especially for songwriters.¹⁹

On the subject of the public database, Big Machine observed that:

[T]he MLC has created one centralized database of song ownership information that has become a definitive source and allows for members (publishers, songwriters and administrators) to easily and efficiently manage their works. This is immediately better than the ecosystem prior to the MLC where we and our fellow publishers had much less control over the accuracy of our information... The transparency of song information at the MLC ensures that we and our songwriters are able to keep accurate registration details of our songs, and consequently receive accurate and complete royalty payments. The sound recording information alongside the writer and publisher data alone is a marked improvement from prior databases in the space historically.²⁰

Several commenters also acknowledged that on top of the extensive and valuable customer service The MLC provides, The MLC has engaged in impactful outreach to engage with, and educate, the broader music community.²¹ These efforts, described in detail in The MLC's Initial

¹⁹ Recording Academy Reply Comments at 4.

²⁰ Big Machine Initial Comments at 1.

²¹ CMPA Initial Comments at 2 ("Since the MLC's launch, their staff has held more than 15 presentations directly with publishers within our organization to illustrate and educate our members on the tools we can use. More than that, the MLC has fielded countless one-on-one meetings with individual publishers to address their specific catalog needs and problems. This level of outreach has made a huge difference in the growth of revenues for our songwriters and publishers."); Big Machine Initial Comments at 2 ("the MLC provides a high level of service and support to assist and educate its members. From monthly memos updating information regarding tools and services to webinars for staffers of all levels of administration sophistication, we have felt the MLC's emphasis on outreach. The MLC's customer service has also been a significant improvement compared to what publishers encountered prior. We have regular meetings with members of the service team to catch up on general updates and specific questions. Between those meetings, we have been able to get timely answers to our questions that arise during our everyday course of business"); WCM Reply Comments at 3 ("The MLC provides numerous opportunities for interested parties to learn about and engage with The MLC. By hosting informational lectures and question and answer sessions both virtually and in person, The MLC participates in outreach to the musical community that it serves. Additionally, The MLC offers reference materials on its website to provide instruction and background information on The MLC and its processes. These materials help interested parties navigate the use of The MLC website and licensing process as a whole."); Recording Academy Reply Comments at 3 ("the MLC has shown a proactive commitment to stakeholder engagement and education . . . Since the enactment of the MMA, the Academy has recognized that outreach to the songwriter community is essential for the new law to be successful and the Academy has repeatedly pledged to leverage its network and resources to reach as many songwriters as possible. We have found the MLC to be a fantastic partner in

Submission, are valued across the music industry.²² NSAI spoke about the increased support provided to songwriters, noting that:

Self-published songwriters had long been frustrated with digital rights management companies who largely seemed disinterested or ill resourced to being helpful to rightsholders without a significant market share. The MLC took this concern to heart and prioritized hiring many human customer services representatives specifically trained and assigned to assist self-published songwriters and even published songwriters who have questions and concerns related to their digital mechanical royalties. This, in addition to creating software designed to accomplish this part of its mission.²³

Finally, The MLC’s anti-fraud efforts, which work to protect royalties from diversion by the misconduct of bad actors, were also acknowledged in the Public Comments. SONA commended The MLC’s efforts in combatting fraud, stating: “We appreciate the MLC’s efforts in regard to combating fraud. Whether it be fraudulent ownership claims, streaming fraud or frivolous disputes, the one commonality that is indisputable is that fraud is on the rise... We believe that the MLC must continue to prioritize combating fraudulent activities as fraud itself continues to evolve.”²⁴

II. Update on Operational Activities and Metrics Since Initial Submission

The MLC has continued to enhance and improve its operations since filing The MLC’s Initial Submission just a few months ago. These improvements reflect both The MLC’s commitment to continued improvement and the rapid pace with which this area of the industry continues to evolve. This commitment to continued improvement was also noted with approval in

this regard. . . the MLC is working to be visible and engaged anywhere and everywhere that there are songwriters to raise awareness about their work.”).

²² The MLC’s Initial Submission at 75-106.

²³ NSAI Initial Comments at 2. NSAI also acknowledged The MLC’s improvements to transparency, acknowledging The MLC’s development of a public database “that is clear and concise, easily navigable and provides as much information as the MLC can publicly disclose.” *Id.*

²⁴ SONA Initial Comments at 5; The MLC’s Initial Submission at 28-30.

the Public Comments.²⁵ Below are select notable updates on some of the operational metrics that have changed since the filing of The MLC's Initial Submission.

A. Distribution of Historical Unmatched Royalties

The MLC's Initial Submission noted that The MLC had recently received adjusted reporting from a number of Blanket Licensees pertaining to the historical unmatched royalties from the *Phonorecords III* period (2018-2022) which they had previously transferred to The MLC in accordance with Section 115(d)(10)(B). This adjusted reporting followed the CRB's final determination of royalty rates for the *Phonorecords III* rate period six months earlier. The MLC stated in its Initial Submission that it aimed to begin processing the adjusted reporting and distributing matched historical royalties from this period later this year.

As anticipated, The MLC met that goal and began distributing matched royalties from this period to rightsholders in the April 2024 distribution, only two months after receiving the adjusted data necessary to process these royalties. As of the July distribution, The MLC has already distributed over \$85 million in newly matched historical royalties from the *Phonorecords III* rate period, bringing the total amount of matched historical royalties it has distributed to date from all rate periods to almost \$112 million. The MLC intends to continue to distribute newly matched historical royalties from the *Phonorecords III* rate period over the remainder of this year (while also continuing to reprocess the remaining unmatched historical royalties from the earlier rate periods). It expects to complete the process of distributing newly matched historical royalties from the *Phonorecords III* rate period in the Spring of next year. Extensive details regarding the matched historical royalties The MLC has distributed to date and the remaining amount of

²⁵ See, e.g., Peermusic Initial Comments at 2 (“In the areas in which we felt there was room for The MLC to build upon its initial successes, progress has to date been quick and highly visible: in the services provided to members, for example, including iterative improvements in portal access, client services, and new and creative methods to improve the quality of the musical works database.”).

historical unmatched royalties The MLC has not yet distributed are available for the public to review using the interactive historical royalties dashboard on The MLC’s website.²⁶

B. Development of Additional Member Tools

The MLC’s Initial Submission stated that The MLC is “currently developing tools that, once released, will improve the way Members track, manage, and resolve overclaims and disputes related to specific works in their catalogs.”²⁷ In April, The MLC released the first version of this new tool. The MLC’s Overclaims Tool enables Members to view and edit their claims to newly registered works for which the total shares claimed by all Members adds up to more than 100%. This tool also allows members to send an e-mail to all of the other members with claims to the work concerned from within their Member Portal accounts, in order to initiate discussions that will hopefully enable them to work together.²⁸ The MLC received positive initial feedback on the Overclaims Tool, and it has already released several enhancements and additional features for the tool that incorporate feedback from members, with additional enhancements and features in the works.²⁹

As highlighted in the Initial Submission, The MLC’s Support and Member Services Teams help address questions from rightsholders regarding their use of The MLC’s member tools, lead educational events aimed at teaching members how to use these tools more effectively, and solicit feedback from members about their experience using the tools so that it can identify opportunities

²⁶ The MLC’s interactive Historical Royalties Dashboard is accessible on The MLC’s website in the section entitled *Historical Royalties* (available at <https://www.themlc.com/historical-unmatched-royalties>).

²⁷ The MLC’s Initial Submission at 24-25.

²⁸ More information on how the Overclaims Tool can be used to resolve an overclaim is available in the Help Center on The MLC’s website at *What is an overclaim and how do I resolve one using the Overclaims Tool?* (available at <https://help.themlc.com/en/support/what-is-an-overclaim-and-how-do-i-resolve-one-using-the-overclaims-tool>).

²⁹ For example, The MLC has begun development to expand the scope of the Overclaims Tool in order to provide members using the tool with the ability to see and action overclaims that pertain to musical works that have not been newly registered since the tool was initially launched.

to enhance and improve them. The MLC’s efforts to support and enhance the existing member tools and develop additional, new member tools exemplify The MLC’s commitment to serve its members by striving to understand and be responsive to their needs.

C. Enforcement of Blanket License Rights and Obligations

The MLC also took important steps to discharge its statutory mandate to “enforce rights and obligations” under the Blanket License, including its statutory obligation to “[e]ngage in legal and other [enforcement] efforts.”³⁰ In February, The MLC filed a lawsuit against Pandora to recover underpaid royalties related to Pandora’s “Free” offering.³¹ The MLC first notified Pandora of this noncompliant reporting in 2021, during the *Phonorecords III* interim rate period. Once The MLC determined that Pandora had failed to cure this noncompliance in its adjusted reporting submitted this past February (after the rates for the *Phonorecords III* rate period were finalized by the CRB), The MLC filed this action to recover the additional royalties it believes Pandora owes. In May, The MLC filed an action against Spotify following Spotify’s recharacterization of its standalone subscription music offerings as Bundled Subscription Offerings and its accompanying decision to precipitously reduce the amount of royalties reported to The MLC in connection with those subscription offerings.³² These two actions mark the first instances where The MLC has filed legal actions against DSPs to address noncompliance with their statutory and regulatory obligations.

The MLC also regularly engages in “other efforts” to enforce rights and obligations under the Blanket License, as directed by the MMA. These other efforts include carefully reviewing the monthly usage reports each DSP submits to The MLC for every unique Service Offering they offer.

³⁰ Section 115(d)(3)(C)(i)(VIII).

³¹ *Mechanical Licensing Collective v. Pandora Media, LLC*, No. 3:24-mc-09999 (M.D. Tenn. 2024).

³² *Mechanical Licensing Collective v. Spotify USA Inc.*, No. 1:24-cv-03809 (S.D.N.Y. 2024).

Each month, The MLC identifies compliance concerns, informs the relevant DSPs of those concerns, and then dedicates a significant amount of time and effort to help those DSPs address those concerns so that they can remain compliant with their statutory and regulatory obligations related to the Blanket License. These efforts exemplify the collaborative and constructive approach The MLC takes toward working with DSPs and helping to ensure they fulfill their statutory obligations for the benefit of rightsholders.

When The MLC detects noncompliance, whether it stem from technical issues (like validation errors in monthly usage reports) or more fundamental issues (like missing a royalty payment or usage reporting deadline), it strives to communicate with DSPs about these issues. Where the DSP concerned expresses an intent to cure their noncompliance, The MLC works closely with the DSP to resolve the issue(s) concerned.

D. Supplemental Matching Network

The MLC's Initial Submission described The MLC's then recent announcement about the launch of its new Supplemental Matching Network, identified the vendors The MLC had initially selected to participate in the network, and described the types of services the selected vendors were engaged to provide.³³ Since then, The MLC has begun actively working with these vendors, and the preliminary results are promising. The MLC now has the capability of running potential recording-to-work matches through matching processes offered by multiple vendors, which will allow The MLC to supplement its existing quality assurance measures, confirm the accuracy of even more of its existing matches, and identify and ingest new matches. The vendors in this network are also helping The MLC to detect more non-musical works included in the usage reports submitted by DSPs to The MLC by supplementing The MLC's existing, internal processes.

³³ The MLC's Initial Submission at 31-32.

Questions or Concerns Raised in Public Comments

As it has expressed several times in this process already, The MLC welcomes constructive feedback concerning its operations. The MLC already dedicates a substantial amount of time, effort, and care to solicit and receive feedback from its stakeholders, and The MLC prides itself on being responsive to the feedback it receives. In this regard, the Public Comments are of great value to The MLC because they allow The MLC to learn about additional questions, concerns, and requests from a wide variety of stakeholders that may not have surfaced before. While The MLC does not believe that any comments change the conclusion that The MLC continues to satisfy the statutory criteria for designation, The MLC takes the opportunity in the section below to address some of the notable questions, concerns, and requests raised by stakeholders in the Public Comments.

I. Member Comments

A. Songwriter Account Profile and Tools

Multiple comments expressed a desire to see The MLC develop additional tools specifically for songwriters, regardless of whether they are self-administered or working with a publisher or administrator.³⁴ Self-administered songwriters who sign up to become members of The MLC already have access to all the same member tools that are available to publisher and administrator members. Self-administered songwriters, like all members, can also contact The MLC’s Support Team for assistance at any time, free of charge. In addition, The MLC has created a Member Services Team that is available to provide additional assistance to self-administered songwriters (and other members) who need additional assistance performing more complicated

³⁴ See, e.g., ARA Reply Comments at 2 (“All songwriters should be provided with robust, easy-to-use tools to directly access their information and cure inaccuracies in the MLC database.”).

administration tasks related to the works they have registered (or wish to register) with The MLC. One way the Member Services Team helps self-administered songwriters is by providing (upon request) a customized report that shows the data for every song listing the songwriter concerned that is registered in The MLC's database. This provides songwriters with a full picture of the data for all the songs they have written that are in The MLC's database; not just the data for only the songs the writer self-administers.

In direct response to stakeholder feedback³⁵, The MLC explained in its Initial Submission that it had been holding “discussions with stakeholders regarding development of more scalable, songwriter-focused features and tools, including creating a new “songwriter account” within the Member Portal that would provide songwriters with access to tools specifically designed to enable songwriters to organize and review the data related to their songs.”³⁶ Since that time, The MLC has begun working on the first version of this new account profile, which it expects to launch later this year. Once completed, this account profile will enable The MLC to create and offer additional tools specifically designed for songwriters of all kinds to use (*i.e.*, songwriters who self-administer their own songs *and* songwriters who partner with a publisher or administrator to do so on their behalf).

B. Matching Resources and Duration

Multiple comments emphasized the importance of The MLC continuing to dedicate significant additional resources to matching activities, particularly before any market-share

³⁵ NSAI Initial Comments at 3 (“NSAI has been insistent for quite some time that the MLC must prioritize developing a songwriter portal. Songwriters who do not own their own publishing are identifying errors in the data they can see in the public portal resulting in non-payment, but their only recourse when they find these errors is to contact their publisher to make them aware... We feel strongly that The MLC has a role to play in assisting songwriters with this issue and have requested that it develop a songwriter portal to the database that would allow a songwriter who finds errors in data related to his/her songs to “flag” those errors alerting the publisher of record and creating a consolidated paper trail at The MLC.”).

³⁶ The MLC's Initial Submission at 18.

distribution occurs.³⁷ The MLC shares these views and is committed to building upon the success it has accomplished in this area to date and continuing to improve all aspects of its matching processes. Recognizing that the task of matching lies at the heart of The MLC’s statutory obligations, The MLC has made matching an ongoing area of strategic focus touching many aspects of its internal operations.³⁸ As described in The MLC’s Initial Submission, The MLC has also sought the assistance of numerous other industry vendors to ensure it is leveraging the best industry practices available, most notably by launching its Supplemental Matching Network, which employed a rigorous evaluation process to identify and select additional vendors that can provide a variety of matching services that will supplement The MLC’s existing matching processes.³⁹

The MLC also launched its groundbreaking Distributor Unmatched Recordings Portal (DURP) program to address the unique challenges of matching works written and recorded by independent or DIY artists.⁴⁰ By contrast, as discussed further below and also referenced in the statement from the UROC attached as Exhibit 3, it is notable that DiMA/DLC questioned why The MLC would devote time or resources to address the large volume of unmatched “long-tail” uses, claiming that such efforts were “highly inefficient.” This sentiment stands in stark contrast to the concerns of rightsholders, as well as the Office’s own statements in the Unclaimed Royalties Report.⁴¹

³⁷ See, e.g., ARA Reply Comments at 2 (“The MLC should invest more resources in improving the efficiency of its matching tool and accuracy of its datasets.” “[A]dditional efforts should be made to identify rightsholders before market share distribution of unmatched royalties occurs.”); Music Artists Coalition and Black Music Action Coalition (“MAC/BMAC”) Reply Comments at 3 (outlining several recommendations, including investment in additional matching resources to handle difficult matching scenarios, and delay of any market share distribution until further matching is completed).

³⁸ The MLC’s Initial Submission at 9-26.

³⁹ The MLC’s Initial Submission at 19-20, 31-32.

⁴⁰ The MLC’s Initial Submission at 14-15, 23-24, 92-93.

⁴¹ See Unclaimed Royalties Report at 81-83.

With respect to concerns raised by certain commenters questioning The MLC's commitment to undertake adequate matching efforts prior to any market-share distribution, The MLC has repeatedly stated in a variety of public forums that it intends to continue its matching and reprocessing efforts for many more months before it begins to contemplate when to conduct its first market-share distribution. Moreover, as The MLC explained in the Initial Submission (which quoted its original Designation Proposal from 2019):

The MLC does not intend to “distribute the entirety of unclaimed royalties simultaneously” and will continue “matching efforts where there is reasonable evidence that this will result in material increases in matching success.” The MLC's position has not changed. The MLC interprets Section 115(d)(3)(J)(i)(I) to provide that it has discretion to retain unclaimed accrued royalties for longer than the statutory holding period, and it intends to use this discretion to retain unclaimed accrued royalties to allow for additional efforts at matching and claiming. The MLC has no current plans to make a market share distribution, as The MLC is still focused on diligent and extensive efforts to match uses and works. As such, it will keep unmatched usages in the matching pool for repeated attempts to match, and it remains hopeful that these additional efforts will prove successful. When the time comes for a market share distribution, The MLC will provide significant public notice and transparency as Congress intended.⁴²

Finally, The MLC has also previously stated its commitment to continue to try and match the remaining royalties from prior usage periods for longer than the statutorily-prescribed minimum periods – a position that is aligned with the views previously shared by the Office.⁴³

In The MLC's Annual Report for 2023 (published at the end of June 2024), The MLC stated that it has “not yet scheduled or completed any distribution of remaining unmatched historical or blanket royalties pursuant to the “equitable market share” distribution process that Congress established in the MMA,”⁴⁴ and it does not intend to begin contemplating timing of any

⁴² The MLC's Initial Submission at 28.

⁴³ *Id.* (“The Office also agrees [with The MLC] that unclaimed accrued royalties may be retained beyond the statutory holding period.”).

⁴⁴ The MLC's Annual Report for 2023, p. 15 (available at <https://www.themlc.com/hubfs/2023%20MLC%20Annual%20Report.pdf>).

market share distributions until after it has finished processing the historical unmatched royalties from the *Phonorecords III* rate period. The MLC does not currently expect that process to be completed until the Spring of 2025. At that point, The MLC will analyze the data it has accumulated for the remaining unmatched monies and consult with members of both the Unclaimed Royalties Oversight Committee (UROC) and The MLC’s Board of Directors regarding the potential timeline for completing its first market share distribution.

As The MLC further stated in its Annual Report for 2023, when it does eventually decide to conduct a market share distribution, “it will follow the MMA requirement that payments to copyright owners be determined in a transparent and equitable manner based on data indicating the relative market shares of such copyright owners as reflected in reports of usage provided by DSPs,” and it will “conduct extensive outreach and communication ahead of any such distribution, to ensure that rightsholders are aware and prepared for that final statutorily prescribed process to take place.”⁴⁵

In conclusion, The MLC shares the belief expressed by numerous commenters that it should not rush to implement market share distributions,⁴⁶ and it is committed to developing and commencing its eventual market share distribution process in an open, transparent, and collaborative manner.⁴⁷

⁴⁵ *Id.*

⁴⁶ Recording Academy Reply Comments at 4 (“The Academy [] applauds the patience and care that the MLC has taken with regard to the distribution of [historical unmatched] royalties.”).

⁴⁷ NSAI Initial Comments at 3 (“NSAI believes that The MLC needs to prioritize creating a strategy around its eventual market distribution of historic unmatched royalties... It will be necessary to formulate and publish a written timeline of when and how unclaimed royalties from specific periods will be distributed. Public notice of an impending distribution will be the only way to motivate owners who have not prioritized claiming their royalties.”).

C. ISWC and IPI Identifiers

Some Public Comments noted the value of the International Standard Work Code (ISWC) and Interested Party Identifier (IPI) Name Number reporting and raised questions about their use by The MLC.⁴⁸ The MLC agrees that these unique identifiers are valuable, and it leverages them wherever it can. To be clear, The MLC requests ISWC and IPI information from *all* DSPs who report usage to The MLC and from *all* members who register works. Since the comments appear to misunderstand how ISWC and IPI information is used by The MLC (and by other CMOs), we respond to these comments below to try and clarify The MLC’s position on the use of these identifiers.

The Office’s rule concerning usage reporting lays out the fields that DSPs must collect and provide.⁴⁹ Both IPI Name Numbers and ISWC codes are in the category that must be reported “to the extent acquired by the blanket licensee in the metadata provided by sound recording copyright owners or other licensors of sound recordings.”⁵⁰ The MLC instructs DSPs to report IPI Name Numbers and ISWC codes to the extent that the Office’s rule allows The MLC to require them. Accordingly, The MLC’s documentation for DSP reporting in both DSRF and its own SURF format makes clear that *both the IPI and ISWC fields are required if known* and specifically cites the Office’s usage reporting regulation addressing this requirement.⁵¹ The MLC has *never* entered

⁴⁸ Spirit Music Initial Comments at 2; MAC/BMAC Reply Comments at 3; Abby North Initial Comments at 4.

⁴⁹ 37 C.F.R. 210.27; Interim Rule, *Music Modernization Act Notices of License, Notices of Nonblanket Activity, Data Collection and Delivery Efforts, and Reports of Usage and Payment*, U.S. Copyright Office Docket No. 2020-5, 85 Fed. Reg. 58114 (September 17, 2020) (“DSP Reporting Interim Rule”).

⁵⁰ 37 C.F.R. 210.27(e)(1)(ii); DSP Reporting Interim Rule at 58120 (“The Office again declines to mandate that DMPs require delivery of information from sound recording copyright owners and licensors through contractual or other means for the same reasons identified in the NPRM.”).

⁵¹ The MLC, *Guidelines for sending monthly Reports of Usage to The MLC using SURF v1.0* at SURF Usage File worksheet, lines 26 and 30 and *Guidelines for sending monthly Reports of Usage to The MLC using DDEX DSRF v1.4* at 29 (available at *Specifications, Templates and Guidelines*: <https://www.themlc.com/specifications-templates-and-guidelines>; or direct links at <https://www.themlc.com/hubfs/Marketing/Website/MLC%20Simple%20Usage%20Reporting%20Format%20for%20Ongoing%20Reporting%20v1.0%20Revision%204.xlsx> and <https://www.themlc.com/hubfs/Marketing/Website/MLC%20Simple%20Usage%20Reporting%20Format%20for%20Ongoing%20Reporting%20v1.0%20Revision%204.xlsx>).

into a voluntary agreement with a DSP that permits the DSP *not* to report these identifiers where they are known.

The MLC also requests ISWC and IPI Name Number information as part of work registrations by members. The MLC provides fields in each of its Registration Tools that allow members to submit ISWCs and IPIs if they have them, and The MLC references both identifiers in its best practices documents and other educational and member support materials.⁵² The MLC further explains what these identifiers are and the purpose they serve on its website, on a page entitled *Know Your Identifiers*.⁵³ The MLC has even produced and made available “how-to” videos that explain what ISWC codes and IPI numbers are and provide practical tips to rightsholder like how to find their IPI number.⁵⁴ As the page on The MLC’s website entitled *Tutorial Videos* explains, “Interested Party Information (IPI) numbers are a key part of any musical work registration with The MLC that help you accurately register your musical works and receive all the royalties you’re owed.”⁵⁵ All of that said, The MLC cannot *require* rightsholders to provide these identifiers as a condition of registering their works because in some instances they do not have such identifiers, but it strongly encourages Members to provide these identifiers in numerous

com/hubfs/Marketing/Website%20Files/Guidelines%20for%20sending%20monthly%20Reports%20of%20Usage%20to%20The%20MLC%20using%20DDEX%20DSRF%20v1.4%20v1.1.2.pdf).

⁵² See, e.g., The MLC, *CWR Reporting best practices documents for regular Members and CMO Members* (available through *Works Registration* web page at <https://www.themlc.com/work-registration>; or using direct links at <https://f.hubspotusercontent40.net/hubfs/8718396/files/2021-10/CWR%20Best%20Practices%20MLC%20Members.pdf> and [https://f.hubspotusercontent40.net/hubfs/8718396/files/2021-10/CWR%20Best%20Practices%20MLC%20CMO%20Members%20\(002\).pdf](https://f.hubspotusercontent40.net/hubfs/8718396/files/2021-10/CWR%20Best%20Practices%20MLC%20CMO%20Members%20(002).pdf)) (“The Sender ID can be any IPI# tied to the submitter.” “IPI #'s are encouraged in the designated IPI field for submitted writers and publishers.”).

⁵³ The MLC *Know Your Identifiers* (available at <https://www.themlc.com/identifiers>).

⁵⁴ The MLC *Tutorial Videos* (available at <https://www.themlc.com/tutorial-videos>); *How to Find Your IPI* (available at https://www.youtube.com/watch?v=D_a5BOgLB2s and https://www.youtube.com/watch?v=D_a5BOgLB2s); *What Is An ISWC?* (available at <https://www.youtube.com/watch?v=JrQrKVEidio>).

⁵⁵ The MLC *Tutorial Videos* (available at <https://www.themlc.com/tutorial-videos>).

places, including in its member tools, on its website, and in various educational videos and other materials.

Some commentators implied that The MLC does not use ISWC and IPI data in its matching processes. That is not accurate.⁵⁶ The MLC utilizes a number of data points and identifiers in its matching processes, including ISWC, ISRC, and IPI numbers. However, The MLC does not *exclusively* rely on these identifiers for a variety of reasons, including the fact (as explained above) that not all of the data it receives from DSPs in their usage reports and/or in the works registrations data it receives from rightsholders includes these identifiers, and sometimes the identifiers submitted to The MLC by DSPs and rightsholders are not accurate.

Certain commentators questioned why The MLC uses its own unique work codes rather than exclusively relying on the ISWC. The fact that The MLC uses separate unique work codes should come as no surprise to anyone who works with large data sets. It is standard for CMOs like The MLC that operate large works ownership databases at scale to have their own unique work codes, because each work registered must be uniquely identified with some sort of identifier in the internal systems maintained by those organizations. The MLC could not rely exclusively on ISWC codes because ISWC codes have not been assigned or provided for many musical works that have been registered with The MLC, and not every rightsholder knows the ISWC for the works they wish to register with the MLC. Indeed, the official ISWC website itself notes that ISWC codes do not replace each CMO's own unique identifiers, thereby acknowledging both the existence and the need for CMOs to maintain and utilize their own unique identifiers alongside ISWC codes.⁵⁷

⁵⁶ It is also incorrect to say that The MLC uses ISRC codes as the primary identifier for matching. Spirit Music Initial Comments at 2. ISRC codes are one data point used alongside many others, including ISWC and IPI identifiers and many other data points. The data points that turn out to be critical to making a match vary by the situation, which is why it is important to have processes that leverage a broad array of data points, as The MLC does.

⁵⁷ CISAC, ISWC Network, *ISWC Usage* (available at <https://www.iswc.org/iswc-usage>) (“[Q:] Will the ISWC replace the CMO's own numbering system? [A:] **No**. Most organisations will still require their own internal identification numbers for internal reasons.”).

Some Public Comments left the impression that The MLC does not use IPI numbers or ISWC codes as much as other CMOs. The MLC does not believe this suggestion is accurate. The MLC uses the identifiers as fully as it can, including by storing them in The MLC’s database when and where they are provided by rightsholders (as part of work registrations) or by DSPs (as part of usage reporting), referencing them in its matching processes, including them on royalty statements, and displaying them in many of the tools it makes available for its members. Users of The MLC’s Public Search tool can also search for works using an ISWC code and for writers or publishers using their associated IPI numbers. These identifiers can also be utilized by users of The MLC’s Bulk Data Access Subscription files and The MLC’s Public Search API.⁵⁸

D. Investment Policy

Questions were raised in the Public Comments about The MLC’s investment policy.⁵⁹ The MLC has published copies of its Investment Policy Statement and Cash Management Policy Statement on its website and attached copies to The MLC’s Initial Submission. The MLC also provided an extensive explanation of why The MLC is effectively required by the MMA to have an investment program and how it works, including how the program directs The MLC to limit investments to “a handful of mutual funds managed by significant and experienced institutional investment firms that our financial advisors have thoroughly vetted.”⁶⁰ The NOI itself reflects The MLC’s explanation of why it does not publicize the details of specific investments, which involve security and market manipulation concerns.⁶¹ Nonetheless, if the Office wishes to review

⁵⁸ See, e.g., The MLC Public Work Search (available at <https://portal.themlc.com/search#work>).

⁵⁹ See, e.g., MAC/BMAC Reply Comments at 2.

⁶⁰ The MLC’s Initial Submission at 65-67.

⁶¹ NOI at 5944 fn.48.

information on specific investments that The MLC makes under its investment policy, The MLC is available to share that information under seal with the Office.

E. Transparency

Several Public Comments referenced the importance of transparency. The MLC shares the views of these commenters regarding the importance of transparency and has from the outset of its operations made an enormous amount of information and metrics about its operations publicly available. The MLC's Initial Submission described at length the tremendous amount of information The MLC provides to its members and the public, and as discussed above a number of Public Comments praised this increased transparency.⁶²

II. DiMA/DLC Comments

The MLC was pleased to receive the endorsement of DiMA and the DLC in their joint comments. Their endorsement makes clear that they share the view of so many of the other commenters: that The MLC has met the standard for continued designation. While their joint comments also raised a number of other topics, most of these topics were beyond the scope of this proceeding and have no bearing on the Office's periodic review of The MLC's designation. Nevertheless, The MLC responds to some of the statements, in order to address a few of the more significant inaccuracies they contained.

A. Matching Efforts and Efficiency

One of the primary motivators of the MMA was the failure of DSPs to adequately match and pay royalties, leading to hundreds of millions of dollars in unpaid royalties owed to rightsholders and mounting legal liability for DSPs. As part of the bargain reflected in the MMA, the law established a new blanket compulsory mechanical license. Recognizing the many

⁶² See *supra*, *Criterion 3 Remains Fulfilled*, Section I.

shortcomings of the efforts by DSPs to administer the royalties owed pursuant to the previous compulsory license system, Congress took responsibility for administering royalties owed under the new blanket compulsory license away from the DSPs and assigned it instead to a newly created mechanical licensing collective. In addition, Congress intentionally provided that this collective would be governed by a Board of Directors whose voting membership consisted entirely of rightsholders, with only a single, nonvoting member representing the DSPs.

In their initial comment, DiMA/DLC stated that DSPs were “astounded to learn” that The MLC was pursuing matching results across the “long tail” of uses, which The MLC had noted includes within it 500 million sound recording uses with under \$1 (and an average of 5 cents) in royalties accrued.⁶³ DiMA/DLC offered their opinion that such matching efforts were “highly inefficient” and “can’t even be described as marginal benefits to creators.”⁶⁴ It is precisely this disregard for the value of robust and comprehensive matching efforts that caused many of the problems that the MMA sought to address, and it validates the prescient decision of Congress to take control over the royalty administration process away from DSPs and give it instead to a statutory collective governed by a Board consisting almost entirely of rightsholders. To be clear, The MLC’s matching efforts have been remarkably effective and impactful, particularly with respect to uses on the so-called “long tail” of the market.⁶⁵ As the Office itself noted in its Unclaimed Royalties Report, the aggregate outcome across multiple works and over time must be

⁶³ The MLC’s Initial Submission at 26, fn. 46.

⁶⁴ DiMA/DLC Initial Comments at 19.

⁶⁵ It is also worth noting that 500 million uses with an average of 5 cents in royalties amounts to an aggregate of \$25 million in royalties, which is a significant pool of royalties that alone warrants efforts to understand, consolidate and match.

considered, and The MLC should not dismiss this pool of unmatched uses simply because individual uses within the pool have a small amount of accrued royalties.⁶⁶

Notably, the comments offered by DiMA/DLC on this point focused on The MLC's development of the Distributor Unmatched Recordings Portal (DURP). To The MLC's knowledge, it is the first CMO in the world to build a tool like the DURP that provides independent sound recording distribution companies with visibility into the sound recordings they have distributed that have not yet been matched to a musical work for purposes of administering musical works royalties. The creation of the DURP has significantly improved and increased efforts to match sound recording uses and works across the long tail. More than 80 independent sound recording distributors now access the data for the unmatched sound recordings they have distributed in the US market, enabling them to identify customers of theirs who may not be receiving their digital audio mechanical royalties in the United States and then help those customers become a member of The MLC (so they can collect these royalties directly) or engage a rights administrator (who can collect these royalties on their behalf). By using the DURP, these distributors have helped connect thousands of rightsholders to The MLC and unlocked millions of dollars in previously unmatched and unpaid royalties. Moreover, The MLC has accomplished this at little to no cost. The MLC simply provides participating distributors with access to the relevant subset of its publicly available data that pertains to the sound recordings they have distributed; from there, the distributors do the rest. It is hard to imagine a more cost-effective way for The MLC to seek to address the issue of unmatched long-tail recordings. Initiatives like the DURP are precisely the sort of innovative solutions that the MMA envisioned, and they also fulfill the recommendations

⁶⁶ Unclaimed Royalties Report at 82 (“The MLC should be careful in adopting and applying thresholds or cost/benefit analyses to appropriately balance the need to be cost-effective and fiscally responsible with the core duty to vigorously match. Such decisions will likely be context-specific, and the MLC should recognize where a cost may be reasonable when viewed over time or in the aggregate when applied to multiple unmatched works.”).

made by the Office in the Unclaimed Royalties Report to explore new and emerging technologies and processes to address the issue of unmatched royalties.⁶⁷

In sum, DiMA/DLC’s position that The MLC should expend less resources on matching the long tail is wholly inconsistent with the MMA, contrary to the guidance issued by the Office, and completely at odds with the concerns raised by numerous other stakeholders that submitted Public Comments on this topic and the clear desire expressed by those stakeholders for The MLC to continue or increase its investments in matching the increasingly large royalty pools at issue (including long tail uses).⁶⁸

B. Enforcement of Blanket License Obligations

1. Collecting Underpaid Royalties and Late Fees

DiMA/DLC cannot contest that The MLC is explicitly charged with enforcing rights and obligations under Section 115. Indeed, they admit that they “actually *agree* that [The MLC] has a proper role in enforcing the terms of the blanket license and have not argued otherwise.”⁶⁹ Nonetheless, DiMA/DLC offer a number of baseless assertions that effectively encourage or invite the Office to interfere with The MLC’s discharge of that role, including asserting that The MLC is supposed to function as “a neutral mechanical pass-through entity,” and asserting that The

⁶⁷ Unclaimed Royalties Report at 81-83 (“The Office recommends that the MLC robustly employ both automated and manual matching processes that rely on standard unique identifiers... The MLC should also explore the new and emerging automated matching technologies discussed by commenters, as well as other relevant technologies and processes that may currently exist or emerge in the future, to evaluate how they can be leveraged, what enhancements in matching capabilities may be reasonably expected from employing them, and the feasibility of implementation. If the MLC decides that a particular technology may not yet be ready, it should be regularly reevaluated as the technology matures... [T]he Office agrees with commenters that [manual matching activities] are integral and recommends that the MLC should engage in them to a substantial degree using dedicated and sufficiently funded resources... the Office recommends that the MLC have the capacity to deploy a broad array [of manual activities], including, at minimum, online and offline research, individual lookups in public and private third-party databases, and leveraging its membership and network of industry partners.”).

⁶⁸ See *supra*, *Questions or Concerns Raised in Public Comments*, Section I.B.

⁶⁹ DiMA/DLC Reply Comment at 13.

MLC’s “enforcement role under the MMA is narrow and focused.”⁷⁰ Nothing in these assertions justifies or supports the interference they seek in The MLC’s discharge of its important statutory functions.

In fact, these assertions run counter to the intent of Congress in the MMA. As former Member of Congress and author of the MMA, Doug Collins, recently explained:

Crucially, as the MLC is responsible for ensuring accurate payments to its songwriter and publisher members, the MMA made clear that it not only has the authority but is mandated to enforce the rights of its members if it determines any streaming service is not reporting or paying properly. Most recently, the MLC was forced to litigate against Pandora for underpaying royalties. ...

Should the MLC not enforce and litigate when necessary to uphold the rights of its members, those members would have absolutely no recourse to defend their property rights. This notion of neutrality would make the MLC toothless and completely undermine the important role of the Collective. Allowing the MLC to dole out royalties is inextricable from its primary purpose of ensuring those royalties are correct.⁷¹

Former Representative Collins’s comments leave no doubt that Congress *mandated* The MLC to enforce the rights and obligations under the Blanket License. The MLC takes these statutory enforcement responsibilities very seriously, putting care and diligence into the enforcement actions it takes and the decisions regarding enforcement that it makes. As discussed above, to date, The MLC has only commenced two legal actions to recover underpaid royalties from two DSPs (Pandora and Spotify). Each of these actions was thoughtfully considered and prudently pursued.

DiMA/DLC also fail to mention the many ways in which The MLC addresses noncompliance issues with DSPs *without* having to resort to litigation. Instead, DiMA/DLC offer in their comments exaggerated and mistaken characterizations of The MLC’s enforcement

⁷⁰ DiMA/DLC Initial Comment at 7, Reply Comment at 11.

⁷¹ Doug Collins, *On the Music Modernization Act’s 5th Anniversary, Streaming Services Are Trying to Redefine Its Intent*, Billboard (June 12, 2024) (available at <https://www.billboard.com/pro/streamers-redefine-music-modernization-act-guest-column/>).

activities in a partisan attempt to undermine the validity and necessity of these activities. For example, DiMA/DLC’s claim that The MLC lawsuit against Pandora is not about Section 115 activities and therefore falls outside of The MLC’s statutory authority is inexcusably inaccurate.⁷² Moreover, it is impossible to believe that DiMA/DLC are so uninformed about the legal claims in that case that they could misunderstand the action to that degree – particularly given that Pandora serves on their boards and did not even move to dismiss the action on the specious grounds that DiMA/DLC now assert to the Office. The MLC’s case against Pandora is explicitly related to its Section 115 covered activities. The relevance of Section 114 is simply that the definition of covered activities under Section 115 references language in Section 114. This hardly makes the action – which seeks years of underpaid musical work royalties under the Blanket License – not about Section 115.

Despite DiMA/DLC’s attempts to mischaracterize and diminish The MLC’s statutory enforcement activities, these activities fall well within The MLC’s statutory authority and represent balanced and thoughtful approaches that fulfill the statutory responsibilities assigned to The MLC, and they are supported not only by the MMA’s author, Former Representative Collins, but by the rightsholder community in general, as evidenced in the Public Comments.⁷³

2. Audits

DiMA/DLC’s suggestion that The MLC has mistakenly “interpreted” Section 115 to create “three overlapping and maximally burdensome audit powers” is not just hyperbolic, but also wrong.

⁷² DiMA/DLC Reply Comment at 13, fn 13.

⁷³ Recording Academy Reply Comments at 5 (“The Academy also applauds the recent legal proceedings that the MLC has initiated to enforce the proper administration of the blanket license. This function of the MLC is specifically enumerated in the MMA, which gives the MLC the authority to ‘[e]ngage in legal and other efforts to enforce rights and obligations.’ This statutory language is clear and unambiguous and require no additional commentary.”); Big Machine Initial Comments at 2 (“The MLC’s ability to enforce the terms of the blanket license, including by levying late fees, issuing notices of default, auditing DSP payments, and enforcing against nonpayment ensures greater accountability from DSPs than existed prior to the MMA.”).

The three “audit powers” that DiMA/DLC lists are: (1) the MMA’s DSP audit provision; (2) the Annual Report of Usage certification provision in the Office’s implementing regulations; and (3) the Records of Use provision in the Office’s implementing regulations.⁷⁴ Only one of these is an audit right, and it is expressly prescribed by the MMA, so the DiMA/DLC suggestion that this right is the product of The MLC’s interpretation of Section 115 is simply baseless.

The second process referenced by DiMA/DLC, namely the requirement of a CPA certification of the Annual Report of Usage, is also a statutory requirement.⁷⁵ As the Office has noted, these statutory certifications “provid[e] an additional check on the accuracy of royalties.”⁷⁶ However, these certifications are *not conducted by The MLC*, so calling them an “audit power” of The MLC is completely inaccurate. Indeed, the DLC provided extensive comments on this requirement during the 2020 rulemaking and did not characterize it as an “audit power” of The MLC.⁷⁷ The DLC also provided extensive comments during the 2020 rulemaking regarding the third process referenced by DiMA/DLC, the Records of Use provision in the Office’s regulations, and the final Records of Use provision adopted by the Office is largely consistent with the version proposed by the DLC.⁷⁸ The Office explained that this provision addresses “the need for

⁷⁴ DiMA/DLC Initial Comments at 19-20, 29.

⁷⁵ Section 115(d)(4)(D).

⁷⁶ DSP Reporting Interim Rule at 58136, fn. 294.

⁷⁷ In fact, the Office incorporated the DLC’s proposed edits to the certification provision in its final regulation. *See* Comments of the DLC in Response to Notice of Proposed Rulemaking, U.S. Copyright Office Docket No. 2020-5 (“DLC 2020-5 Comments”) at 18-19 (May 22, 2020); DSP Reporting Interim Rule at 58139-40 (“the DLC proposed two amendments [to the proposed certification requirement] ... First, the DLC proposed language to address its concern that the proposed rule would require DMPs to certify royalty calculations they do not make... The Office has adopted the majority of the DLC’s proposed language, with some changes... Second, the DLC commented that ‘there are inconsistencies in the regulatory text’s description of the accountant’s certifications. After consulting with the auditor for one of the DLC member companies, we have proposed changes that use more consistent language throughout and are in better alignment with the relevant accounting standards and practices.’ No party raised objections to these proposed technical changes. The Office believes it is reasonable to largely accept the representation that this language better conforms to and reflects standard accounting practices and has largely adopted the DLC’s proposed language.”).

⁷⁸ 37 C.F.R. § 210.27(m); DLC 2020-5 Comments at 19-20. It is worth noting that the DLC pressed to change the provision dealing with the frequency with which The MLC could send DSPs a Records of Use request from being “on

transparency and the ability of the MLC to ‘engage in efforts to... confirm proper payment of royalties due,’” as the MMA requires, and noted that “general obligations relating to retention of records have been a feature of the section 115 regulations since at least implementation of the Copyright Act of 1976.”⁷⁹

In sum, it is not accurate for DiMA/DLC to assert that The MLC possesses three separate and distinct audit rights (something The MLC has never claimed). The MLC only possesses a single audit right, that right is expressly prescribed by statute, and it represents an important part of The MLC’s statutory mandate.⁸⁰ The other two alleged “audit powers” are regulatory mechanisms established by the Office that support The MLC’s mandate to ensure that the royalties and usage reporting it receives from DSPs are accurate.

C. Transparency with DLC on Budget and Governance Issues

DiMA/DLC assert in their initial comment that, “DLC, Inc.’s only avenue to address its concerns around MLC, Inc. expenditures is to commence an administrative assessment proceeding before the Copyright Royalty Board and litigate the entire scope of the administrative assessment.”⁸¹ This statement is inaccurate, and indeed is contradicted by the DLC’s own initial submission in this proceeding, which makes clear that the DLC has significant avenues for participating in The MLC’s budgetary process and numerous opportunities to provide feedback on

reasonable request” to giving The MLC limited windows in which it could submit these records requests, or else forfeit those rights. As a result, under the final regulation issued, The MLC must either request Records of Use each calendar quarter or potentially forfeit its right to access the records for the quarter concerned.

⁷⁹ DSP Reporting Interim Rule at 58141; Section 115(d)(3)(G)(i)(I)(cc).

⁸⁰ As one Public Comment explained, “Rightsholders have long recognized the importance of audit rights in the context of compulsory license frameworks, and the audit rights granted to The MLC ensures that the audit process can be conducted in a streamlined and efficient manner. Warner Chappell is supportive of the active role The MLC has taken with respect to auditing DSPs, allowing rightsholders to feel confident that the royalties they receive from some of the largest and most complex companies in the world are calculated transparently and accurately.” WCM Reply Comments at 3-4.

⁸¹ DiMA/DLC Initial Comments at 21.

The MLC’s budget and spending. Moreover, this statement ignores the fact that the DLC has affirmatively approved every single budget that The MLC has proposed since its inception:

DLC, Inc. has also appointed representatives to serve on the MLC’s Budget Performance Advisory Committee (“BPAC”), which committee was devised by the MLC and DLC, Inc. as part of the settlement of the initial Administrative Assessment. This committee is intended to make recommendations to the MLC’s board regarding the proposed MLC Budget. DLC, Inc. currently has six representatives serving on the MLC’s BPAC. Similar to DLC, Inc.’s OAC representatives, these individuals represent a wide range of DMPs, and have substantial expertise on financial and accounting matters. DLC, Inc.’s representation on the MLC’s BPAC is intended to allow DLC, Inc. to gain critical insight into the MLC’s budget, and support DLC, Inc.’s efforts to ensure that the MLC is spending the administrative assessment paid by digital music providers as efficiently and effectively as possible.

In addition, DLC, Inc.’s representative on the MLC board has also been appointed to serve on the MLC’s new Audit Committee, the purpose of which is to assist the board with oversight of the MLC’s financial reporting and external audits of the MLC. ...

Following its initial designation, DLC, Inc. engaged in extensive negotiations with the MLC to reach an agreement regarding the determination of the administrative assessment, which was subsequently adopted by the CRJs. ...

Since that initial administrative assessment proceeding, DLC, Inc. has been consistent in its approach to supporting the MLC, having thus far agreed to fund every dollar of what the MLC has said it needs to effectively administer the blanket license... with the request, in exchange, that the MLC provide increased transparency into how these funds are spent and how they correlate to the MLC’s efficient performance of its statutory functions.⁸²

Despite this acknowledged access and involvement that the DLC’s members have in The MLC’s budget process, DiMA/DLC baselessly assert that there is:

“[a] concerning lack of transparency with respect to [the BPAC], which has prevented DLC, Inc. and other stakeholders from obtaining critical insight into [The MLC’s] Inc.’s budget-related processes. For example, MLC, Inc. has declined to share sufficient data to enable BPAC members to assess how budget expenditures correlate to MLC, Inc.’s performance of its statutory functions or track and monitor performance against those functions.”⁸³

⁸² DLC Initial Submission at 10-11, 13.

⁸³ DiMA/DLC Initial Comments at 15-16.

The vagueness of this assertion belies its inaccuracy. As the DLC Initial Submission indicates, representatives of the DLC have broad access to information about The MLC's budget and budget process through their participation in the BPAC, including via regular (now quarterly) meetings with The MLC's leadership, access to detailed financials, and direct access to The MLC's Chief Financial Officer to ask questions they might have. This access was agreed in a fully negotiated, arms-length agreement between the DLC and the MLC. DiMA/DLC has not identified a single instance where the BPAC has not received information from The MLC that it is supposed to receive pursuant to that agreement. The false assertions now made by DiMA/DLC about the BPAC do not reflect the reality of how the BPAC has operated and do not reflect The MLC's transparent and good faith participation in BPAC meetings.

Likewise, DiMA/DLC inaccurately claim that “[The MLC] has declined to provide any mechanism for DMPs to check the accuracy of its calculations regarding each DMP's share of the administrative assessment (as that calculation process is not detailed in the invoices it sends to DMPs), despite prior requests from DMPs for this information.”⁸⁴ Pursuant to 37 CFR 390.4(g), The MLC provides the DLC with a quarterly Aggregate Sound Recordings Count (that count is the denominator for administrative assessment allocations). Individual DSPs each have access to their own Unique Sound Recording Count (that count is the numerator for administrative assessment allocations). This information is sufficient for each DSP to check the accuracy of The MLC's calculation of its own share of the administrative assessment. To the extent that DiMA/DLC is suggesting that the DLC or individual DSPs should also receive the Unique Sound Recording Counts for all of their competitor DSPs, that would violate the regulations issued by the Office that prohibit The MLC from providing confidential information about an individual DSP to

⁸⁴ *Id.* at 15.

its competitors.⁸⁵ If DSPs wish to share their confidential counts with each other, they may do so, but The MLC cannot. It is worth emphasizing that the significant majority of Blanket Licensees are not members of DiMA or DLC, and there is no indication that they agree with the proposal of having their confidential information disclosed to DiMA/DLC Board members. (The MLC administers the Blanket License for over 50 Blanket Licensees. DiMA has only 5 members, and the DLC has only the same 5 members and 12 other members.⁸⁶)

Similarly, DiMA/DLC erroneously claim that the DLC representative on The MLC Board has been excluded from discussions about topics on which they are conflicted “pursuant to a ‘conflict of interest’ policy... that either does not exist in a written document or has never been shared with DLC, Inc. or publicly.” The MLC’s Conflict of Interest Policy is posted on The MLC’s website and was attached to The MLC’s Initial Submission on which DiMA/DLC was commenting.⁸⁷ Moreover, the DLC representative on The MLC Board has had to complete an annual Conflict of Interest Disclosure Statement acknowledging that they have received and understood the policy, and will disclose actual, potential or perceived conflicts. A material failure to do so is grounds for removal for cause from The MLC’s Board under the Bylaws.⁸⁸ In practice, though, given the obviousness of the conflicts that exist for the DLC representative,⁸⁹ The MLC

⁸⁵ 37 C.F.R. § 210.34(b)(1), (c)(1).

⁸⁶ DLC Initial Submission at 8.

⁸⁷ The Conflicts of Interest Policy is available on the “Governance and Bylaws” page of The MLC’s website. *See* The MLC, *Governance and Bylaws*, <https://www.themlc.com/governance>.

⁸⁸ The MLC Bylaws, Section 4.7 (attached to The MLC’s Initial Submission at Exhibit 3) (“Cause for removal includes... a material violation of the conflicts of interest policy.”).

⁸⁹ For example, the DLC representative on the Board is without question a representative of third parties who have Transactions (as that term is defined in the Conflict of Interest policy) with The MLC—including the DLC itself, which has negotiated and entered into multiple agreements with The MLC concerning the administrative assessment, as well as agreements in connection with rulemakings. When a meeting of The MLC Board is to include a discussion of whether to accept the DLC’s proposed terms for the administrative assessment, the DLC representative is obviously not entitled to sit in on that discussion. To the contrary, the DLC representative should proactively disclose the existence of potential such conflicts in advance and arrange for recusal.

has not insisted on specific disclosure of every actual, potential or perceived conflict, and has not sought penalties against the DLC representative for failure to disclose all such conflicts; instead, it has just notified the DLC representative when there will be a discussion of such topics, and the DLC representative has been recused from that portion of the meeting. The DLC representative has not before sought to create a dispute over this practical way of handling conflicts.

It also bears emphasizing that when acting in their capacity on the Board, *all* Board members of The MLC have a fiduciary duty of loyalty to The MLC.⁹⁰ The DLC representative role on The MLC Board is to *assist* The MLC by representing the interests of DSPs *in ways that are also consistent with furthering the best interests of The MLC*, and not to be a vehicle to insert into Board activities the *adverse* interests of DSPs against The MLC and its fulfillment of its statutory functions.⁹¹

D. Proposals For Separate Rulemakings

In their Public Comments in this proceeding, DiMA/DLC propose several other topics for separate rulemaking proceedings, including topics relating to refunds and credits, interest, audits and confidentiality. Such topics are well outside the scope of this proceeding, and so The MLC

⁹⁰ See, e.g., *In re P3 Health Grp. Holdings, LLC*, No. 2021-0518-JTL, 2022 WL 16834482, at *1 (Del. Ch. Nov. 7, 2022) (“Directors of a Delaware corporation owe two fiduciary duties—loyalty and care... The duty of loyalty includes a requirement to act in good faith, which is ‘a subsidiary element, i.e., a condition, of the fundamental duty of loyalty.’ ‘A failure to act in good faith may be shown, for instance, where the fiduciary intentionally acts with a purpose other than that of advancing the best interests of the corporation.’”); *Guttman v. Huang*, 823 A.2d 492, 506 (Del. Ch. 2003) (“A director cannot act loyally towards the corporation unless she acts in the good faith belief that her actions are in the corporation's best interest.”); *Weinberger v. UOP, Inc.*, 457 A.2d 701, 710 (Del.1983) (there is “no dilution” of the duty of loyalty when a director “holds dual or multiple” fiduciary obligations and “no ‘safe harbor’ for such divided loyalties in Delaware.”).

⁹¹ Notably, the statutory functions of the DLC reflect assistance to The MLC and not undermining of The MLC. Section 115(d)(5)(C)(i) (including functions such as “enforce notice and payment obligations with respect to the administrative assessment” and “assist in publicizing the existence of the mechanical licensing collective”). While DiMA and its DSP board members have adverse interests to The MLC in many of its capacities, that advocacy and lobbying is not the statutory role of the DLC. The blurring of these roles is a growing problem with the increasing fusion of DiMA/DLC that appears to be occurring.

does not address them here.⁹² If the Office wishes to discuss any of these topics, The MLC will make itself available at the Office’s convenience to discuss and provide The MLC’s full analysis and position regarding the topics at issue at that time.

E. Proposals for Novel “Budgetary Oversight” and “Dispute Resolution Mechanisms”

The proposals offered by DiMA/DLC for the Office to implement unprecedented “additional budgetary oversight mechanisms” and “additional dispute resolution mechanisms”⁹³ are also well outside the scope of this proceeding, so The MLC will similarly not address them here, but will make itself available at the Office’s convenience to provide responses as and if requested to do so. The MLC will, however, note that the MMA already provides a budgetary oversight mechanism for The MLC in the administrative assessment process overseen by the CRB. The MMA expressly assigned this budgetary oversight role over The MLC to the CRB, and the CRB completed a full implementation rulemaking proceeding establishing rules for these proceedings, in which DiMA/DLC fully participated.

In their public reply comments, DiMA/DLC complain about the funding they agreed to provide to The MLC to support its operational efforts, alleging that DSPs now pay “far more” to fund The MLC than they collectively did prior to the MMA.⁹⁴ But just months after the initial

⁹² The MLC does note that DiMA/DLC incorrectly implies that The MLC provided confidential royalty pool calculation information to the NMPA. (DiMA/DLC Initial Comments at 28.) The MLC has never provided confidential royalty pool calculation information to the NMPA. The MLC is required to provide this information to its members as part of their royalty statements, and the regulations provide that “once a copyright owner receives a royalty statement from the mechanical licensing collective, there are no restrictions on the copyright owner's ability to use the statement or dis-close its contents.” (37 C.F.R. 210.29(c)(4)(v); 210.34(c)(2)(ii)). Notably, in its reply comments, the NMPA explained that “NMPA receives this information from its copyright owner members, not from The MLC.” (NMPA Reply Comments at 10).

⁹³ DLC Initial Comments at 20-25.

⁹⁴ DiMA/DLC Reply Comments at 11. Tellingly, DiMA/DLC have never disclosed how much DSPs paid in the aggregate to administer their mechanical licenses before 2021, nor has DiMA/DLC explained how those costs would be calculated or whether it would include the costs they collectively incurred to deal with legal claims and litigations stemming from their royalty administration failures. Moreover, even if the total aggregate royalty administration costs incurred before The MLC began operating for all of the 50+ DSPs currently operating under the blanket license were

designation of The MLC, DiMA/DLC entered into a negotiated, written agreement with The MLC on the amount and terms of the administrative assessment that would fund The MLC's operations, and that agreement was submitted to the CRB in a joint proposal made by the DLC and The MLC.⁹⁵ That agreement remained in effect without any objection from the DLC until 2023, when DiMA/DLC again entered into a negotiated, written agreement with The MLC in which they agreed to increase the amount of the administrative assessment that funds The MLC's operations. Once again, that agreement was submitted to the CRB in a joint proposal made by the DLC and The MLC.⁹⁶ DiMA/DLC themselves describe the administrative assessment proceedings as only “‘potentially’ adversarial,” as they “‘have thus far settled this budget issue with [The MLC] every time it has arisen.’”⁹⁷

In summary, the administrative assessment process overseen by the CRB has proven to be quite effective thus far. The CRB has overseen two administrative assessment proceedings to date, and in each instance the DLC and The MLC resolved each proceeding efficiently and cooperatively by entering into settlement agreements. There is absolutely nothing that suggests the existing statutory process is not effective, nor has it proven to be inadequate or insufficient in any way that might warrant the creation of an additional budgetary oversight role for the Office that would be layered on top of this statutory process.

disclosed, that total would not be a legitimate benchmark for the appropriate amount of spending The MLC should incur given the many administration shortcomings and failures during that period, and the many additional statutory functions of The MLC. Perhaps most to the point, the actual aggregate DSP administration costs were obviously high enough for DiMA and its DSP members to lobby for passage of the MMA despite the fact that the MMA did not assign them control over The MLC's operations.

⁹⁵ Joint Motion To Adopt Proposed Regulations, CRB Docket No. 19-CRB-0009-AA, eCRB Docket No. 19112 (December 4, 2019) (available at <https://app.crb.gov/document/download/19112>).

⁹⁶ Joint Motion To Adopt Voluntary Agreement And Proposed Regulations, CRB Docket No. 23-CRB-0012-AA, eCRB Docket No. 28271 (May 31, 2023) (available at <https://app.crb.gov/document/download/28271>).

⁹⁷ DLC Reply Comments at 8, fn. 22.

Likewise, with respect to the DiMA/DLC proposal for “additional dispute resolution mechanisms,” the MMA explicitly sets forth a mechanism to address disputes between The MLC and DSPs: court review.⁹⁸ That said, there are already numerous other ways the parties can address disputes short of seeking relief from a court. Representatives of the DLC and The MLC have met regularly since The MLC’s leadership was first hired, and the participants in these meetings can raise whatever topics they feel are appropriate. The parties are also free to voluntarily engage in mediation or arbitration where they cannot work through disputes via direct discussions. The Office may take up issues raised by either party as and when it deems appropriate, and The MLC has always made itself available to discuss any matters of interest raised by the Office. So, in short, there is again nothing that counsels for the creation of an additional process (let alone a mandatory one) that would preempt the existing dispute resolution mechanisms that each party already has a right to initiate, especially in the absence of any evidence that these existing mechanisms are not functioning adequately and given the additional burdens and costs such an additional process would inevitably impose upon the parties if enacted.

F. External Governance Review

In their Reply Comment, DiMA/DLC float an additional unprecedented new request that falls outside the scope of this proceeding: namely, an “external governance review,” a transparent attempt to obstruct The MLC and rewrite the MMA under the guise of innocent concern.⁹⁹

⁹⁸ Section 115(d)(2)(A)(v) (“A digital music provider that believes a notice of license was improperly rejected by the mechanical licensing collective may seek review of such rejection in an appropriate district court of the United States. The district court shall determine the matter de novo based on the record before the mechanical licensing collective and any additional evidence presented by the parties.”); 115(d)(4)(E)(iv) (“Review by federal district court.— A digital music provider that believes a blanket license was improperly terminated by the mechanical licensing collective may seek review of such termination in an appropriate district court of the United States. The district court shall determine the matter de novo based on the record before the mechanical licensing collective and any additional supporting evidence presented by the parties.”); 115(d)(6)(C)(i) (“Federal court action.—Should the mechanical licensing collective or digital licensee coordinator become aware that a significant nonblanket licensee has failed to comply with subparagraph (A), either may commence an action in an appropriate district court of the United States for damages and injunctive relief.”).

⁹⁹ DLC Reply Comments at 14-16.

DiMA/DLC further propose that their representative oversee the review (along with two others). As with their numerous other extraneous requests, The MLC will make itself available at the Office's convenience to provide full responses as and if requested to do so. The MLC does emphasize the elephant in the room, namely the multiple unwarranted and obstructive requests by DiMA/DLC to interfere with The MLC's governance and operations via interventions in which DiMA/DLC would be a key player. There is simply nothing that justifies these transparent attempts at an end run around the MMA's division and assignment of authority, as they would clearly enable DiMA/DLC to assert improper control over The MLC's administration of the Blanket License as envisioned by Congress.¹⁰⁰ As Doug Collins stated: "In five short years, the MLC was activated and is now a towering example of success."¹⁰¹ DiMA/DLC themselves have endorsed The MLC in this periodic review of its designation, along with nearly the entire music industry. DiMA/DLC's decision to gloss over these salient facts while promoting extraneous proposals on irrelevant topics should not distract from the relevant inquiries in this review.

¹⁰⁰ DiMA/DLC's citation to the PRS for Music governance review shows the lack of thought or justification behind the DiMA/DLC proposal. The PRS for Music review was undertaken *twenty years* after its last governance review, and reflects a starkly different context, where the entity was struggling with an overly complex, inefficient and costly governance structure that was not attending to its strategic and commercial needs. See *The Future Governance Of PRS* (July 2020) (Slides 7 and 8 diagrams of governance structure) (available at <https://www.prsformusic.com/-/media/files/prs-for-music/corporate/governance/the-future-of-governance.ashx>). The MLC context could hardly be more different – it is less than four years into operations, has a simple and efficient governance structure, and the main pieces of its governance, operational scope and oversight are set by statute.

¹⁰¹ Doug Collins, *On the Music Modernization Act's 5th Anniversary, Streaming Services Are Trying to Redefine Its Intent*, *Billboard* (June 12, 2024) (available at <https://www.billboard.com/pro/streamers-define-music-modernization-act-guest-column/>).

CONCLUSION

The MLC appreciates the diligence of the process set forth in the NOI and hopes that this submission has provided additional information that will be helpful to the Office as it completes its review process. The MLC is available to respond to any additional questions or requests for further information, and looks forward to discussing any questions the Office may have in an *ex parte* meeting.

Respectfully submitted,

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Counsel for The MLC

EXHIBIT 1

MEMBER ENDORSEMENT
 (SUPPLEMENT WITH ADDITIONAL ENDORSEMENTS
 RECEIVED AFTER THE MLC'S INITIAL SUBMISSION)

Endorsement Text

We are Members of The MLC, and we endorse and support The MLC to continue to serve as the statutory mechanical licensing collective that is responsible for administering the blanket license established by the Music Modernization Act.

We own and have exercised exclusive rights to license musical works for use in covered activities under the blanket license (17 U.S.C. 115(d)) during the past three calendar years.

Supplemental List of Additional Endorsing Members

Member Name	MLC Member Number
1ST MYND MUSIC AND MULTI MEDIA	<i>P158J1</i>
3 MINUTES AWAY MUSIC PUBLISHING,LLC	<i>P107B8</i>
4 PAT 4 KING 4 Q PUBLISHING	<i>P307WW</i>
8&8 NETWORK	<i>P176L0</i>
A. SCHROEDER INTERNATIONAL LLC	<i>P79591</i>
ACE JET MUSIC	<i>P313K3</i>
ADAM MCCORKLE	<i>P321M4</i>
ADAM PRICE MUSIC	<i>P049FW</i>
ADRIAN WILLIAMS	<i>P216KZ</i>
AGO PUBLISHING, INC.	<i>P293G1</i>
AHMED FARGHALY AMIN	<i>P324HC</i>
ALEXIS R VENTURA	<i>P360FC</i>
ALLOT LINES MUSIC PUBLISHING VIETNAM	<i>P290LY</i>
AMX MUSIC LLC	<i>P332MV</i>

AN KUN STUDIO	<i>P389HV</i>
ANDREW BOWMAN	<i>P301FL</i>
ANNE HOUSE	<i>P204QD</i>
ANTWAN HINTON	<i>P179T0</i>
ARMUNTRE JACKSON	<i>P331MT</i>
AROLYN OAK LLC	<i>P315LW</i>
ARTURO HILL	<i>P188QC</i>
ASHANTI WIGGINS	<i>P360KB</i>
AUDIAM, INC	<i>P007IZ</i>
AYAN KAKAR	<i>P333ZJ</i>
B E P C MUSIC	<i>PA30C9</i>
BARRY LUNOAH ALEXANDER	<i>P327P8</i>
BATHYSPHERE MUSIC	<i>PA30C7</i>
BEATRICE SANTA ANA	<i>P328HQ</i>
BENJAMIN RAYMOND HANDEL	<i>P313M6</i>
BENNY	<i>P327L1</i>
BENNY E SWANAGAN	<i>P367TF</i>
BETA ETA MUSIC	<i>PM155G</i>
BETHANY STINNETT	<i>P223E0</i>
BETHEL MUSIC PUBLISHING	<i>P19640</i>
BEUTARA	<i>P329N7</i>
BIGMUSIC TALKS	<i>P393QK</i>
BINDELARI MUSIC	<i>P285W5</i>
BLAIRE CHODOR	<i>P393YZ</i>
BLAXIVORY MUSIC	<i>P857IX</i>
BLICKER ERIK	<i>PW351T</i>
BLU MAGIC PROMOTIONS	<i>P074CY</i>
BLUE KIRBY PUBLISHING	<i>P324Q6</i>
BLUE WINGS PRESS	<i>P332J6</i>
BRANDY CAVE	<i>P332LC</i>
BRIAN MARTINEZ	<i>P315GL</i>
BROC EDITIONS	<i>P110Z7</i>
BTDDI PRODUCTIONS	<i>P288JW</i>
BURLEY TRUST PUBLISHING	<i>P331MU</i>
CALDWELL MYRICK PUBLISHING	<i>P295LP</i>
CALM CREEK MUSIC	<i>PA346X</i>
CAMARADERIE MUSIC	<i>PA252C</i>
CASPERTAINMENT	<i>P331Z3</i>
CCTV MUSIC	<i>P326YN</i>
CHESTER A THOMAS	<i>P394B9</i>
CHRISTOPHER DENMAN	<i>P252ES</i>

CHRISTOPHER LENEAU	<i>P203J1</i>
CHRISTOPHER RAY ROBERTS	<i>P325RO</i>
CHRISTOPHER WALSH	<i>P259AZ</i>
CICADA SONGS	<i>P045HM</i>
CITIBOYZ MUSIC LLC	<i>P3411T</i>
CIVIL WAR TRACKS MUSIC	<i>P324FF</i>
CJM SPRING	<i>PC55AL</i>
CLOUD RAY MUSIC	<i>P362YA</i>
COUNTERPART MUSIC	<i>P279AO</i>
CURBSERVICE T.M.F. BEATS	<i>P127MP</i>
D MICHAELS MUSIC	<i>P9764T</i>
D2 PRO PUBLISHING	<i>P2513Q</i>
DAN BAN MUSIC	<i>PA17FQ</i>
DANIEL DEMAREE	<i>P293EQ</i>
DANIEL R. TIDWELL	<i>P359IM</i>
DANIEL REEVES	<i>P366PU</i>
DANIEL SIMMONS	<i>P184CJ</i>
DANIELA CARPIO	<i>P2161I</i>
DAVID ALEJANDRO BUSTAMANTE DIAZ	<i>P191PC</i>
DAVID DINENNA SONGS PUBLISHING	<i>P308TY</i>
DAVID L ROBINSON	<i>P290WN</i>
DAVID LEE WILSON III	<i>P321XO</i>
DBOYONTHEBEAT	<i>P367SN</i>
DEAD CANARY MUSIC LLC	<i>P323PI</i>
DEAN E ROBINSON	<i>P363AT</i>
DEIDRA RICE	<i>P252FM</i>
DELCORE MUSIC	<i>P8693Q</i>
DELFOR MALLORQUÍN	<i>P327P1</i>
DENNIS ROUND	<i>P251YO</i>
DERRICK GEORGE	<i>P213NX</i>
DERRICUS WOODS	<i>P360FL</i>
DESERT BIGA PUBLISHING	<i>P324SJ</i>
DESHAUN MCCOULLUGH	<i>P268RC</i>
DG ENTERTAINMENT INC.	<i>P362GU</i>
DIEGO LOMELI	<i>P260E3</i>
DIGITAL ROYALTY DISTRIBUTION	<i>PA31WU</i>
DIGITECH123	<i>P260VO</i>
DINERO IRBY MUSIC PUBLISHING	<i>P188O1</i>
DIRTY THUG	<i>P391R1</i>
DJ BIGDAD	<i>P072WV</i>
DON SAGINARIO PUBLISHING	<i>P332JW</i>

DREAM ON RECORDS LLC	<i>P327R0</i>
DUNAMIS STARR	<i>P323BU</i>
DWIGHT RICHARDSON	<i>P179T6</i>
DYLAN NICHOLAS	<i>P361CB</i>
EDDY SANTI	<i>P319EP</i>
EDISON QUIÑONEZ HURTADO	<i>P330TQ</i>
EGGSHELL ARMOR MUSIC	<i>PA047P</i>
ELIAS A. PERALTA PENA	<i>P286OH</i>
ENCORPORATED PUBLISHING GROUP	<i>P313OO</i>
ENEMENCIO ANTONIO VASQUEZ	<i>P307Y6</i>
EQUALRECORDINGS.COM	<i>P325GB</i>
ESTHER MORGAN-ELLIS	<i>P358VY</i>
EVARAY PUB CO	<i>P227R7</i>
EVLT ENTERPRISES	<i>P362CH</i>
FACT	<i>P331X9</i>
FELAROF MUSIC	<i>P309YB</i>
FINAL PLAY MUSIC GROUP INC	<i>PA33V4</i>
FIVE OWLS	<i>P552EA</i>
FRANKIE BENDER MUSIC	<i>P2147H</i>
FREDERICK D MITCHELL	<i>P332J3</i>
FURCAL R, PUBLISHING	<i>P327XA</i>
G PUTNAM MUSIC, LLC	<i>P239JY</i>
GAMMA GREEN TEAM	<i>P330DU</i>
GEET DIGITAL	<i>P332N3</i>
GELAR NUGRAHA	<i>P199BD</i>
GEORGE DOUGLAS LEE	<i>P135HM</i>
GEORGE YAKULIS MUSIC	<i>P051JE</i>
GERALD DANTONE	<i>P331L6</i>
GIGLAEOPLEXIS PUB	<i>P0169P</i>
GINA ROBINSON	<i>P204O1</i>
GLORY BLUE MUSIC	<i>P317VG</i>
GOAT TOWN ENTERTAINMENT/ COOK UP GANG PRODUCTIONS	<i>P323DF</i>
GOLD PANTHER MUSIC	<i>P137BS</i>
GOLDO508	<i>P361JF</i>
GRATITUDE SOUND LLC	<i>P124NB</i>
GRIND RIGHT 4EVER ENTERTAINMENT LLC	<i>P195ZC</i>
H.A.M. PUBLISHING	<i>P160S7</i>
HALEY CORNER	<i>P253YD</i>
HAMMER ON THE ANVIL MUSIC	<i>P161HN</i>
HAYDEN THC COLEMAN PUBLISHING	<i>P060YZ</i>

HECTOR PALACIOS	<i>P231HX</i>
HECTOR R SIERRA	<i>P308CF</i>
HENNIZI DA DON	<i>P299JT</i>
HERMAN BORDEN	<i>P254CN</i>
HEYDAY MEDIA GROUP LLC	<i>P8371V</i>
HOMERIK PRODUCTIONS, LLC	<i>PA16Z3</i>
HONESTGANG	<i>P076GJ</i>
HOODIE HUSTLER	<i>P332J2</i>
HORN OF AFRICA ENTERTAINMENT	<i>P323M7</i>
HOWARD GRIPP	<i>P306TX</i>
HUELLA	<i>P003UA</i>
I TEAM ENT	<i>P330J7</i>
ILLUSION TOURNET	<i>P135YD</i>
IPHOKUS PUB	<i>P0692Q</i>
ISAIAH BARR MUSIC	<i>P331HH</i>
JACKSON EMMER	<i>P327ZE</i>
JACKSON RENAUD	<i>P299R3</i>
JAIME GALVEZ	<i>P262JK</i>
JAMEL HASTINGS KNAPP	<i>P318FD</i>
JAMES SIMS	<i>P249JN</i>
JANICE GAINES	<i>P266Q1</i>
JARROD SHOQUIST	<i>P308BA</i>
JASON MARTINEZ	<i>P333JT</i>
JAVIERE INNISS	<i>P253ZL</i>
JD CARROLL	<i>P285Y0</i>
JERALD VE'AN	<i>PA244D</i>
JERMLEAN	<i>P363C2</i>
JERREHORN SMITH	<i>P315R9</i>
JESSICA ROBINS	<i>P393Q7</i>
JHON FREDY CARDENAS GIL	<i>P218K9</i>
JORGE ACOSTA	<i>P327NY</i>
JOSH HARRIS	<i>P190ER</i>
JOVANNI SANCHEZ	<i>P275UN</i>
JUSTANOTHERHOOK PUBLISHING	<i>P360D0</i>
JUSTICE XAVIER PADILLA	<i>P326MN</i>
JUSTIN CHIBUIKEM EGBUFOAMA	<i>P318Q4</i>
KABAN MUSIC PRODUCTION (KMP) SDN BHD	<i>P227ZB</i>
KABUL MUSIC HOUSE	<i>P332NJ</i>
KATHERINE ALMEIDA	<i>P302HX</i>
KAVINDA SAMARAKOON	<i>P264NC</i>
KEDRICK HARRISON	<i>P358T2</i>

KEEP IT ON THE LOLO	<i>PD3800</i>
KEISHA HUSBANDS	<i>P281LN</i>
KELVIN BURGOS	<i>P211EN</i>
KENNETH NICHOLS	<i>P294B1</i>
KENYATTA FINNEY	<i>P325RX</i>
KEVIN OLSEN	<i>P245N9</i>
KEVIN FREY	<i>P315JB</i>
KILLA BEEZNIZ INC	<i>P142YZ</i>
KIMBERLY MORRELL	<i>P292LX</i>
KIOWATICA MUSIC	<i>P322RA</i>
KNIGHT LIFE PUBLISHING	<i>P053JJ</i>
KYLE SHIN	<i>P325ON</i>
LACTEO COSMICO	<i>P094LO</i>
LADY TEQUILA MUSIC PUBLISHING	<i>P243IV</i>
LARRY AUMDANHA SANFORD	<i>P294YX</i>
LARRY EUGENE HENDRICKS III	<i>P321DP</i>
LATICIA CARRINGTON MUSIC	<i>P359J6</i>
LAVENDER SKY MUSIC	<i>P300V5</i>
LEE MITCHELL	<i>P218VE</i>
LEMARK MCGEE	<i>P325QR</i>
LEONARDO LOPEZ SANTIAGO MUSIC	<i>P304IM</i>
LESOTHO COPYRIGHT SOCIETY OF AUTHORS AND ARTISTS (LESCOSAA)	<i>P321XG</i>
LFTD MUSIC GROUP INC	<i>P002EQ</i>
LIONHARP MUSIC	<i>P307GK</i>
LISA RAMEY	<i>P325RM</i>
LOCUSTS AND WILD HONEY	<i>P213IJ</i>
LORDS OF BEATS	<i>P206FI</i>
LOVELANE MUSIC	<i>P57550</i>
LP THEYOUNGKING	<i>P373KA</i>
LP.REFLECTION	<i>P319VJ</i>
LRL PMG PUBLISHING	<i>PD531P</i>
LUIS MIGUEL SÁNCHEZ	<i>P252WJ</i>
LUXURY OVER LIMITATIONS	<i>P261SB</i>
LUZONIC ENTERTAINMENT, LLC	<i>P066RH</i>
MAARTISTS MUSIC	<i>P331YP</i>
MA'AT HANDS AND FEET	<i>P315Q6</i>
MAFIA SOUL MUSIC PUBLISHING	<i>P576H3</i>
MAGIC MEAT MUSIC	<i>P318LS</i>
MARC LAFLEUR	<i>P393S1</i>
MARCUS DWAYNE GONZALEZ	<i>P324FI</i>
MARCUS OWEN BELL	<i>P223FB</i>

MARCUS REDDICK	<i>P320PR</i>
MARGRET HUTTON	<i>PA30OW</i>
MARK ERELLI	<i>P200CE</i>
MARK PERLSWEIG	<i>P393YD</i>
MARTY SHIRLEY	<i>P288OI</i>
MARWAN MUSIC	<i>P3822W</i>
MATT VILLACARTE	<i>P285OV</i>
MATTHEW DECKELMAN	<i>P284I6</i>
MATTHEW GORSKY D.B.A. DOVETALE PRODUCTIONS	<i>P238VQ</i>
MAURICE MAURICIO	<i>P300VB</i>
MEADOWSING PUBLISHING	<i>P310MC</i>
MEGA BROADCASTING	<i>P258JR</i>
MELOKEY MUSIC GROUP	<i>P188JG</i>
MI ESTILO MUSIC	<i>PA483M</i>
MIIG HOLDING GROUP LLC DBA THE MIIGIZM COMPANY	<i>P208XB</i>
MILES JAYE DAVIS	<i>P358RH</i>
MINOR DETAILS MANAGEMENT	<i>P322YY</i>
MOOPLY KREW LLC	<i>P062HT</i>
MOONROCKET RECORDS	<i>P322EU</i>
MOUNTAIN ROW MUSIC	<i>PA17IF</i>
MUMBLY TOE MUSIC	<i>P95089</i>
MUSIC COPYRIGHT SOCIETY OF KENYA LIMITED (MCSK)	<i>P294JV</i>
MUSIC DAUGHTRY MICHAEL	<i>P319VB</i>
MY EARTH'S INVASION PUBLISHING	<i>P358XB</i>
MYLES WAKEHAM	<i>P359LB</i>
N E 1 4 BOM	<i>P310CW</i>
NAQI SMITH	<i>P277AD</i>
NATE PERRY	<i>P282ZB</i>
NATO MEANS	<i>P302E6</i>
NATURAL MUSIC GLOBAL	<i>P253GP</i>
NEWTRIBE RECORDS	<i>P361N6</i>
NORA WINIFRED BERG	<i>P140CJ</i>
NORLLAMS MUSIC	<i>P367VY</i>
NULLY BEATS LLC	<i>P242FB</i>
NWS MUSIC	<i>P032J2</i>
OBAKENG MASEGO MOOKETSI	<i>P367TW</i>
OBBLIGATO MUSIC	<i>PM83KL</i>
OEPG RECORDS	<i>P132JQ</i>
OFF THE GREEN MUSIC	<i>PC533U</i>

OMAR CABRERA	<i>P038U6</i>
ONLY NEW AGE MUSIC	<i>P0279J</i>
OSAGBORO MUSIC PUBLISHING	<i>P324O6</i>
OSAGBORO SOUNDS	<i>P253DZ</i>
OUSSAMA CHATTI	<i>P234KS</i>
OVRCSST PUBLISHING LLC	<i>P197UZ</i>
PAMELA MESSER	<i>P208GQ</i>
PASILBERG	<i>P326MQ</i>
PAUL BREWSTER	<i>P299RR</i>
PAUL EDELMAN	<i>P313U0</i>
PAUL HENDRICKS	<i>P319QO</i>
PIERRE MICHEL DIALLO	<i>P238YA</i>
PORCH ROCK ENTERTAINMENT LLC	<i>P320RD</i>
PRIAM MUSIC PUBLISHING SYNC	<i>P240DB</i>
QDG PUBLISHING	<i>P43576</i>
RAACHO MUSIC PUBLISHING	<i>P358T4</i>
RAINLOVER MUSIC	<i>P374CF</i>
RAPHAEL JAHUAN POLK	<i>P311UZ</i>
RAYMOND WRIGHT	<i>P265SF</i>
REARRIS PUBLISHING LLC	<i>P020KQ</i>
REBELBYDESIGN MUSIC PUBLISHING LTD	<i>P257LY</i>
RENEW AUDIO MUSIC GROUP	<i>P224F2</i>
REPERTORIO VEGA	<i>P7409W</i>
RESPONSE MUSIC SERVICES	<i>P327AB</i>
RICHARD MARTINI	<i>P373K5</i>
RITZY TUNES	<i>P320RH</i>
ROB MEANY PUBLISHING	<i>P057L4</i>
ROBERT DELGADO	<i>P395X7</i>
ROBERTO CARDENAS	<i>P229VI</i>
ROCKET SCIENCE MUSIC PUBLISHING GROUP	<i>P31397</i>
ROSECASTER MUSIC	<i>P047AV</i>
SABAM	<i>P78477</i>
SADE KEARNEY	<i>P359E5</i>
SAFARI MUSICAL S A DE C V	<i>P8210P</i>
SAMUEL MASODI	<i>P334A7</i>
SANJAY GIRI GOSWAMI	<i>P331GC</i>
SANTIAGO VANEGAS TAMAYO	<i>P218VC</i>
SARAH RAYMAN	<i>P321LD</i>
SCH MUSIC, INC	<i>P072Y5</i>
SCHUNK SONGS	<i>P3018U</i>

SCOTTY LUKE MUSIC LLC	P362H3
SEDA, SOCIEDAD ESPAÑOLA DE DERECHOS DE AUTOR (SEDA)	P194XL
SEE-M RECORDS PUBLISHING	P064PO
SETH GREER	P324RT
SHAFIQ HUSAYN	P325RB
SHERANI PRODUCTION	P358VX
SHIYR MUSIC	PD10KC
SHORT CIRCUIT BRAND MUSIC PUBLISHING LLC	P135CQ
SINGING MOUNTAIN	P331T7
SKYTTCDs LLC	P391OY
SMASH HITS	P301UG
SNAX RECORDS	P314OB
SO KONFIDENTIAL MUSIC	P027JO
SON OF FELIX MUSIC	P82847
SONGS OF DELUSIONAL PUBLISHING	P252H9
SOUND MUSIC PUBLISHING	P301FQ
SPACEDOUT STUDIOS ENTERTAINMENT PUBLISHING	P023J6
STANLEY ANDREW KAR CZ SONGS/KAR CZ MUSIC PUBLISHING BMI	P360DT
STANLEY L MILLER	P366P1
STARDOMUSIC	P325NF
STARDUST555	P379NA
STAY ALIVE ENTERTAINMENT	P362H4
STERLING ANTHONY PETERS	P358RJ
STEVEN ARTIS EVERSOLE MUSIC	P149GE
SUAVEE ENT.	P196CG
SUBSTITUTE SUCKER SONGS	P360SB
SUPERORGANIC	P233KJ
SUSLIK PUBLISHING	P0798R
T RUN ROCK	P324U5
TAVON EDWARD DODD	P148GO
TBAR ELITE PUBLISHING	P276KT
TERRY VANZANT	P091QX
THE BASSLINE GROUP	P010OA
THE PLUG MUSIC ADMINISTRATION	P123GA
THERALLY SEEDDED ENTERTAINMENT LLC	P180CP
TIM C GOONAN	P327BH
TIMOTHY FERGUSON	P325W2

TINO MCINTOSH	<i>P288KA</i>
TONY NORTH	<i>P247PP</i>
TORTOLA RECORD & PUBLISHING CO. INC.	<i>P331GP</i>
TRENDY BEAT PUBLISHING	<i>P025KU</i>
TRIO PROD INC	<i>P1359M</i>
TRUFLOW HUB	<i>P253Y0</i>
TUNE CHEF	<i>P329LG</i>
TWIN TWO MUSIC	<i>P223NJ</i>
TWO OWLS MUSIC	<i>P284LV</i>
UNCLE BATES MUSIC	<i>P187TE</i>
UNLIMITED STYLES PRODUCTIONS	<i>P0457H</i>
URIAN RAMON STURGIS	<i>P194L8</i>
VINCENT B MCGINNIS	<i>P288ZF</i>
VINYLVISTA PRIVATE LIMITED	<i>P359HV</i>
VIZIONARY RECORDS	<i>PA40UG</i>
WATAN MUSIC CENTER	<i>P358WJ</i>
WIEROK ENTERTAINMENT	<i>P242VH</i>
WIEROK PRODUCTIONS	<i>P084O4</i>
WIEROK THE SONGS	<i>P240U0</i>
WILBIN ALEXANDER ACOSTA ACOSTA	<i>P363ME</i>
WILLA'S BOI LEN MUSIC PUBLISHING	<i>P249WL</i>
WILLIE JOHNSON	<i>P361CJ</i>
WKM MUSIC PUBLISHING	<i>P087JB</i>
WORKS BY TII PROD PUBLISHING	<i>P315RD</i>
WOSS MUSIC	<i>P329ZA</i>
WVZ MFG PUBLISHING CO.	<i>P301KP</i>
WYATT JAMES SHEARS	<i>P330DV</i>
YAHZEE.	<i>P205HG</i>
YFN SOSSA LLC	<i>P293IT</i>
YTB FATT MUSIC	<i>P315HV</i>
Z IS FOR ZUIFF MUSIC PUBLISHING	<i>PW424J</i>
ZATRAS PUB CO	<i>P227R8</i>

EXHIBIT 2

MUSIC INDUSTRY TRADE GROUP ENDORSEMENT

Endorsement Text

We endorse and support The MLC to continue to serve as the statutory mechanical licensing collective that is responsible for administering the blanket license established by the Music Modernization Act.

List of Endorsing Groups

<i>Academy of Country Music (ACM)</i>	<i>Music Artists Coalition (MAC)</i>
<i>Americana Music Association</i>	<i>Music Business Association (Music Biz)</i>
<i>Artist Rights Alliance (ARA)</i>	<i>Music Managers Forum-US</i>
<i>Association of Independent Music Publishers (AIMP)</i>	<i>Music Publishers Association (MPA)</i>
<i>Black Music Action Coalition (BMAC)</i>	<i>Nashville Songwriters Association International (NSAI)</i>
<i>Church Music Publishers Association (CMPA)</i>	<i>National Music Publishers' Association (NMPA)</i>
<i>Copyright Alliance</i>	<i>Production Music Association (PMA)</i>
<i>Folk Alliance International</i>	<i>Recording Academy</i>
<i>Gospel Music Association (GMA)</i>	<i>Recording Industry Association of America (RIAA)</i>
<i>Independent Music Publishers International Forum (IMPF)</i>	<i>Songwriters of North America (SONA)</i>
<i>International Confederation of Music Publishers (ICMP)</i>	<i>The 100 Percenters</i>
<i>Leadership Music</i>	

EXHIBIT 3

STATEMENT FROM THE UNCLAIMED ROYALTIES OVERSIGHT COMMITTEE (UROC)

Introduction

UROC appreciates all who have taken time to participate and submit comments in the Copyright Office's Notification of Inquiry ("NOI") in this proceeding. We have asked The MLC to include this statement with its reply submission so that we may address statements made in the public comments submitted jointly by the Digital Licensee Coordinator, Inc. ("DLC") and the Digital Media Association ("DiMA"). We believe that some of these statements directly contradict The MLC's core mission of reducing unmatched and unclaimed royalties, which is a mission that directly aligns with UROC's statutory role.

UROC is an advisory committee of The MLC comprised of songwriters and music publishers that was established pursuant to the Orrin G. Hatch-Bob Goodlatte Music Modernization Act of 2018 (the "MMA"). UROC is tasked with establishing, subject to approval by The MLC Board of Directors, policies and procedures for the distribution of unclaimed accrued royalties and accrued interest, including the provision of usage data to copyright owners to allocate payments and credits to songwriters. UROC membership consists of five professional songwriters whose works are used in covered activities, and five representatives of musical work copyright owners. Attached to this statement is biographical information on the current members of UROC.

A. The MLC's Mission

The MLC is obligated to undertake “significant measures” aimed at reducing the occurrence of unmatched and unclaimed royalties.¹ These measures should be designed to ensure that the copyright owners are paid the royalties due to them when Digital Music Providers (“DMPs”) utilize their works. UROC’s role is to assist The MLC in achieving this objective. UROC supports the mission to maximize the amount of royalties that are matched and paid to the respective copyright owners, and thereby lessen the amount of unmatched and unclaimed royalties that are distributed in a transparent and equitable manner based on data indicating the relative market shares of copyright owners identified in The MLC’s database.² We appreciate that the MMA mandates such “equitable market share” distributions, and that certain royalties will remain unmatched or unclaimed even after extensive efforts, and that in such situations an equitable market share distribution serves songwriters and publishers more than having the royalties sit in perpetuity. However, this “last resort” should not be seen as a loophole to avoid the comprehensive matching efforts that should be done first.

¹ U.S. Copyright Office, *Unclaimed Royalties: Best Practice Recommendations for the Mechanical Licensing Collective* (2021) (“Unclaimed Royalties Report”) at ii, <https://www.copyright.gov/policy/unclaimed-royalties/unclaimed-royalties-final-report.pdf>.

² 17 U.S.C. § 115(d)(3)(J) (2024).

B. The DLC and DiMA Comments

UROC was surprised to read that the DLC and DiMA members were “astounded to learn” that The MLC is making efforts to fulfill its statutory mandate to match works and reduce the incidence of unmatched and unclaimed royalties:

“MLC, Inc. also discussed its approach to matching the “over 500 million unmatched sound recording products reported to [it] that have less than one dollar in accrued mechanical royalties across all blanket periods to date, with the average being approximately 5 cents in accrued mechanical royalties.” **Frankly, our members were astounded to learn that MLC, Inc. was pursuing this work**, especially in light of the many open tasks and projects MLC, Inc. has on its plate to perform its core functions. **From the Services’ perspectives, it is highly inefficient for MLC, Inc. to expend substantial resources to match these works, with what can’t even be described as marginal benefits to creators.** While the Services are fully supportive of MLC, Inc.’s efforts to match works, including “long tail” works, there is plainly a cost-benefit limitation on the resources that can be efficiently spent on matching sound recordings that accrue less than \$1 and on average a mere 5 cents, particularly when those works remain unmatched over the course of several years.” (emphasis added)

First, The MLC has widely publicized its Distributor Unmatched Recordings Portal (“DURP”) project for well over the past year (including in detail in its initial submission to the Office in this proceeding). We discuss our support for the DURP and other creative and impactful approaches to matching works in Section C below.

Second, addressing the “long tail” of the musical works ecosystem, which also encompasses historical unmatched royalties inherited from DMPs, is a critical aspect of The MLC’s responsibilities. It is important for The MLC to implement preventative measures to ensure that additional works do not fall into this category in the future. Indeed, the Copyright Office has consistently emphasized that The MLC should exert its “utmost”

efforts to match all musical works, including long tail works.³ The Office has reiterated this directive in many places and forums, including in the Office’s Unclaimed Royalties Report.

In 2020, UROC submitted comments in connection with the Office’s Unclaimed Royalties Report in which we rejected the idea that there should be a material cut-off where perceived “low value” unmatched works are deemed not worth the expense of matching efforts (i.e. a “cost-benefit determination”). We continue to believe that a significant amount of the unmatched/unclaimed are likely to be the “long tail” works of independent artists and self-published songwriters, that the compulsory nature of the blanket license necessitates that the interests of all rights holders are looked after, and that The MLC should continue to explore all avenues for addressing the challenges associated with long tail works.⁴

The DLC and DiMA’s comments reflect an oversimplified view of the problem of matching. Ignoring the huge forest of the long tail by dismissing individual trees as too small to bother with would lead The MLC to the same failures that the DMPs had before The MLC. If The MLC does not work to analyze, evaluate and find ways to address 500 million unmatched uses that today have tens of millions of dollars in associated royalties, the unmatched problem that they represent will only snowball. The royalties associated with many of those 500 million uses will no doubt continue to grow over time, at the same

³ Unclaimed Royalties Report at ii.

⁴ See Reply Comments from MLC Unclaimed Royalties Oversight Committee, Unclaimed Royalties Study: Notice of Inquiry, Regulations.gov Docket No. COLC-2020-0007 (available at <https://www.regulations.gov/comment/COLC-2020-0007-0025>).

time as many new sound recording uses enter the mix. Writing off every use of a song that is not a hit today is a recipe for failure – today and tomorrow.

Although The MLC has undertaken, and continues to undertake, numerous outreach efforts to educate the marketplace, many of the Composers of these “long tail” works are not yet be aware of The MLC or have not become members thus far. Simply ignoring the quantity of works involved, which may collectively be significant added revenue for a struggling songwriter, is simply not ethical or reasonable at this point. Every songwriter deserves to have their works be paid on, regardless of their level of earnings.

C. UROC Supports Increased Efforts To Match And The MLC’s Innovative Approaches to Matching Challenges

Thankfully, The MLC has launched creative and impactful approaches to matching works, such as the Distributor Unmatched Recordings Portal (“DURP”) project. DURP is innovative and cost-effective, incentivizing independent sound recording distributors to actively assist with resolving unmatched uses. DURP has led to the matching and distribution of hundreds of thousands of dollars in royalties to independent music creators globally, which we can assure the Office is of more than “marginal benefit to creators.” DURP was a first-of-its-kind initiative that The MLC developed in-house, and earned a Music Business Association award for its significant impact.

The MLC has also invested in partnerships with multiple outside vendors to multiply matching efforts, through its Supplemental Matching Network. While it is too early to assess the impact of this network, we fully support the idea behind the network and have high expectations for its success.

In sum, UROC encourages The MLC to continue to pursue the problem of the unmatched with its “utmost” efforts, including through outside partnerships as well as investing resources into in-house development of creative solutions to address this important, industry-wide problem.

D. Conclusion

In conclusion, The MLC’s efforts to match the long tail align with its statutory obligations and the directives of the Copyright Office, and underscore The MLC’s commitment to maximizing royalties matched and paid to copyright owners, and minimize the incidence of unmatched and unpaid royalties, fulfilling one of the key visions of the MMA.

We appreciate the opportunity to issue this statement and look forward to continued collaboration with The MLC and the Copyright Office.

Respectfully submitted,

Unclaimed Royalties Oversight Committee:

Patrick Curley (Third Side Music)
Michael Eames (PEN Music Group, Inc.)
Dale Esworthy (Sony Music Publishing)
Ben Glover (Songwriter)
Kay Hanley (Songwriter)
Frank Liwall (The Royalty Network, Inc.)
Dan Navarro (Songwriter)
Kathryn Ostien (TRO Essex Music Group)
Tom Shapiro (Songwriter)
Erika Nuri Taylor (Songwriter)

Attachment with biographical information on the current members of the UROC:

Professional Songwriter Members

- **Benjamin Allen Glover.** Benjamin Allen Glover is a songwriter and producer hailing from Loveland, Colorado. Glover moved to Nashville, Tennessee in 2000 after signing his first publishing deal the year prior. Originally getting his start as an artist, Glover spent the early part of his career touring before shifting his attention to the craft of writing and producing songs. He has penned over thirty-five #1 hits in multiple genres of music and was named ASCAP's Christian Songwriter of the Year in 2010, 2012, 2013, 2015, and 2016. Glover wrote the hit country songs, "Hard to Love" by Lee Brice and "Love Don't Run" by Steve Holy along with numerous hits in Christian music including, "All This Time" and "The Lost Get Found" by Britt Nicole, "Write Your Story" by Francesca Battistelli and Mandisa's songs "Stronger" and "Overcomer," the latter of which won a GRAMMY Award. Along with his credits as a songwriter, Glover has achieved notable success as a producer, writing and producing for MercyMe, For King & Country, Danny Gokey, and Mandisa, among others. Glover has had over 400 songs recorded in multiple genres of music by artists such as Chris Tomlin, MercyMe, David Crowder, Trace Adkins, Gloriana, Thompson Square, The Backstreet Boys, Amy Grant & James Taylor, Marc Broussard, Clay Walker, Joy Williams, Brandon Heath, Josh Wilson, The Afters, Colton Dixon, Newsboys, Kari Jobe and many others.
- **Kay Hanley (Committee Vice Chair).** Kay Hanley is an Emmy and Peabody Award winning songwriter for TV animation, music copyright advocate/activist, and singer of Boston-based rock band Letters To Cleo. Hanley began her career in music as the lead singer of Boston-based alternative rock band Letters to Cleo, releasing 3 acclaimed albums between 1990-2000, and spawning such hits as Awake and Here and Now. In 2002, Hanley released her first full length solo album, Cherry Marmalade, produced by longtime Cleo producer, Mike Denneen at Q Division Studios in Boston. The record has recently been remastered for a double album 20th anniversary vinyl re-release. Subsequent solo releases were The Babydoll EP (2005) and Weaponize (2009). After a 16-year hiatus, Letters To Cleo reunited in 2016 to release new music and embark on several sold-out US tours. They are currently writing their 4th full length studio album. In the late 90's, Hanley began expanding her work as a singer and songwriter into the TV and film world, providing the singing voice for Rachael Leigh Cook's character Josie in Universal Pictures' feature film *Josie and the Pussycats* and performing cover versions of Nick Lowe's "Cruel to be Kind" and Cheap Trick's "I Want You To Want Me" in Touchstone Pictures' hit film, *10 Things I Hate About You*, and in 2023, she co-wrote all original songs for "Subspace Rhapsody," the first ever Star Trek

musical episode for the CBS/Paramount + hit series *Strange New Worlds* with Cleo bandmate, Tom Polce. Today, Hanley concentrates her career writing music for animated television, penning original songs for shows like Disney Junior's hit series *Vampirina* and *Doc McStuffins* (for which she won a Peabody Award in 2014), Dreamworks' *Harvey Street Kids*, WB/ Cartoon Network's *DC Super Hero Girls*, and Netflix's series *Ada Twist, Scientist* and becoming a first-time Emmy winner in 2022 for songwriting on *We The People*, the animated series produced by Michelle and Barack Obama's Higher Ground Pictures. Her latest project is *Kindergarten The Musical*, which she developed with writing partners Michelle Lewis, Dan Petty, and Charlton Pettus. She serves as songwriter and executive producer for the series, which will debut in Fall 2024 on Disney Junior. Hanley is also co-founder of Songwriters of North America (SONA), a non-profit advocacy organization that fights for the protection and value of songs and songwriters in the streaming music marketplace. As a result of that work, Hanley was elected to represent songwriters at The MLC, serving as vice-chair of the UROC since 2019.

- **Dan Navarro.** Dan Navarro has enjoyed an eclectic 40-year career as a hit songwriter, recording artist, singer and voice actor, spread over 19 acclaimed duo and solo albums; nearly 5000 concerts; writing for Pat Benatar (the GRAMMY-nominated "We Belong"), The Bangles and Dionne Warwick; singing in Oscar-winning films *Encanto* (including the #1 hit "We Don't Talk About Bruno"), *Coco* and *Happy Feet*, plus *Puss in Boots: The Last Wish*, *The Lorax* and more; voicing and singing in TV shows *Invincible*, *Family Guy* and *American Dad*, as well as hit games and hundreds of commercials in English and Spanish. His current album, the NACC Folk Top Ten *Horizon Line*, garnered the best reviews and streams of his career. He co-produced the new album by Jesse Lynn Madera, *Speed of Sound*, including their moving duet "Last Call", out now. As an activist, he serves on the national board of SAG-AFTRA, is a trustee of the AFM & SAG-AFTRA Intellectual Property Rights Distribution Fund, and on the UROC.
- **Erika Nuri Taylor.** Erika Nuri Taylor is a GRAMMY-nominated and ASCAP Award-winning songwriter from New York. Nuri Taylor started her songwriting career in Atlanta collaborating with producers Organized Noize before relocating to Los Angeles in 2000 and signing her first co-publishing deal with Kenneth "Babyface" Edmonds' company writing songs for K-Ci & JoJo, Chingy (featuring Janet Jackson), B2K and Xscape. After a brief hiatus from the business, Nuri Taylor rebounded with an eight-week #1 Billboard hit, the two-time GRAMMY-nominated "When I See You" performed by Fantasia and signed with Kobalt Music Publishing. As a co-founding member of The Writing Camp, along with Evan Bogart and David "DQ" Quinones, Nuri Taylor served as an executive producer on the Bravo series *Platinum Hit* and signed hit songwriter Eric Bellinger. Nuri Taylor has

also collaborated on international hit “Dirty Dancer” featuring Usher and Lil Wayne from Enrique Iglesias; “Why Not Me” on the seventh #1 Latin album, *Euphoria*; “Without A Fight,” recorded by Janelle Monáe and featured on the soundtrack to Tyler Perry’s *For Colored Girls*; the #2 charting UK single “Champion” by Chipmunk, featuring Chris Brown; #1 Billboard Dance “Right Here (Departed)” by Brandy; “Woman Up” by Meghan Trainor; #1 UK Single “Wings” by Little Mix; EDM hit single “Light Years” by Yellowclaw on the #1 Dance/Electronic Billboard Album; the Disney TV show *Andi Mack* theme song, “Tomorrow Starts Today,” performed by Sabrina Carpenter; and “Cirque Du Soleil” in *CyberPunk 2077* – Video Game.

- **Bruce Wayne.** Bruce Wayne is a highly accomplished songwriter-producer and music business professional, working at the intersection of entertainment and technology. With a career spanning over two decades, Wayne has established himself as a prominent figure in the realm of production, A&R, music supervision for television-film, content acquisition & strategy.

Musical Work Copyright Owner Members

- **Patrick Curley (Third Side Music).** Patrick Curley is an entertainment lawyer and the president and co-founder of Third Side Music, a 100% independently owned synchronization licensing & copyright administration company based in Los Angeles & Montreal with worldwide reach. Third Side Music represents over 85,000 titles by a wide variety of artists. It was founded in 2005 and is staffed by a large team of hard-working music industry veterans, musicians, and copyright data obsessives. Third Side Music is a transparent and equitable destination for career musicians. A company founded on a deep and solid DIY attitude that treats artists as partners and not as commodities. As a lawyer, Curley has over twenty-five years of experience handling business affairs in the music industry. As a music publisher he is a member of the Board of Directors of SOCAN and Chair of the Reproduction Committee of SOCAN Reproduction Rights. In addition to his role on the UROC, he sits on the NMPA’s Independent Publisher Advisory Committee.
- **Michael Eames (PEN Music Group) (Committee Chair).** Michael Eames is a trained composer, songwriter, and pianist who majored in music at Cornell University and completed the Certificate Program in Film Scoring at UCLA Extension; he also secured a minor in Business Management from Cornell. As President of PEN, Eames oversees all aspects of the operation as well as focuses on pitching the catalogue to all media and business development. In addition to serving as the UROC Chair, he also proudly serves on the Independent Publishers Advisory Council (IPAC) of the

NMPA and on the Advisory Board of SONA. He also previously served as the National President of the Association Of Independent Music Publishers (AIMP) from 2015-2018 and served as its National Vice President from 2013-2014. Immediately prior to starting PEN, Eames oversaw the international and film & TV departments of Don Williams Music Group where he was responsible for song catalogues such as Jimi Hendrix, Chicago, and Roy Orbison among numerous others. He also worked previously for Brian Wilson of the Beach Boys and the management and music supervision firms The Derek Power Co and Seth Kaplan Entertainment. Eames wrote the music publishing section of the Hal Leonard/Rowman & Littlefield-published book entitled *Five Star Music Makeover: The Independent Artist's Guide for Singers, Songwriters, Bands, Producers and Self Publishers* (2016) and is co-author (with Bobby Borg) of the book *Introduction To Music Publishing For Musicians*, which was published by Rowman & Littlefield in 2021 and is already used in many curriculums. He is a frequent guest speaker in both real and virtual classrooms, festivals and panel discussions worldwide and has also co-taught (also with Bobby Borg) the online UCLA Extension class, Music Publishing: A Creative And Business Perspective.

- **Dale Esworthy (Sony Music Publishing).** Dale Esworthy is an experienced music publishing professional with 34 years at Sony Music Publishing, currently serving as Executive Vice President of Global Administration. Esworthy graduated from the Gies College of Business at the University of Illinois Urbana-Champaign with a Bachelor of Science in Accountancy, and worked several years in public accounting before joining Sony. Esworthy has served on The MLC's Operations Advisory Committee from 2019-2023 and is now on the UROC. Esworthy is a member of Leadership Music class of 2003, and was on the working group leading to the NMPA Late Fee program in 2009.
- **Frank Liwall (The Royalty Network).** Frank Liwall is the Founder, President, and CEO of the Royalty Network, a music publishing company established in 1994, based on the notion of offering non-traditional and progressive administration deals to clients. By taking an innovative and non-proprietary approach to copyright ownership, the expertise of more than twenty-five years' experience as a sharpshooting numbers man (Liwall is an Accountant and Auditor by trade), Liwall has earned himself a following that boasts some of the most prolific and talented people in the music industry today. Small enough to pay attention to detail and to give personal attention to each and every song title, yet large enough to handle top-selling hits by worldwide artists such as Beyonce, Lil Wayne, Ed Sheeran, Ariana Grande, Kendrick Lamar, Drake, Eminem, and many others. The willingness to educate his writers and artists about the specifics of the business which can be confusing and labyrinthine to the newcomer and his commitment to personalized service have contributed to the success of

Liwall's company. Since its inception, all professional services, including arranging collaborations, pitching songs, and sync pitching for TV, films and commercials are included as part of the standard administration agreement. "We have an incredible worldwide approach with our creative team. Steady forward progress is an important outcome for any deals we enter into," says Liwall. Liwall has served as expert testimony on copyright infringement cases in the United States, and has served as a panel speaker, moderator, and feature speaker in conferences throughout the world, including Billboard's Film & TV Conference, Midem, Billboard's R&B Conference, Musexpo, and numerous others. Liwall is a member of the MLC's UROC Committee, the NMPA's IPAC, the AIMP, the Recording Academy, and is a Sponsor member of the Songwriters Hall of Fame.

- **Kathryn Ostien (TRO Essex Music Group).** Kathryn Ostien is the COO Global Music Operations for TRO Essex Music Group, a fully independent music publisher since 1949 representing every genre of music including folk, blues, rock, pop and jazz. Ostien is also an active member of AIMP, NMPA, NAPW and WIM.